# Agency Bylaws and Policies

As of July 2026,

Table of Contents

**BYLAWS**
**OF THE**
**LOS ANGELES COUNTY**
**AFFORDABLE HOUSING SOLUTIONS AGENCY**

## CHAPTER 1. GENERAL PROVISIONS

**SECTION 1. Applicability.** These bylaws shall apply to the Governing Board ("Board") of the Los Angeles County Affordable Housing Solutions Agency ("Agency") and are adopted pursuant to the authority vested in the Board by Title 6.9 of the Government Code, specifically, Government Code section 64716(a).

**SECTION 2. Amending the Bylaws.** Any bylaw may be amended, repealed, or adopted by a two-thirds vote, provided, however, such action shall not affect any matter pending before the Board. A matter pending before this Board is defined as any matter on the Board's agenda at the time action to amend the bylaws is taken. An amendment, repeal, or adoption of any bylaw cannot conflict with the standards governing the conduct of the Board as prescribed in Title 6.9 of the Government Code, or otherwise prescribed by law.

**SECTION 3. Suspending the Bylaws.** Except as provided otherwise herein, any bylaw may be temporarily suspended by a two-thirds vote. A temporary suspension of any bylaw cannot conflict with the standards governing the conduct of the Board as prescribed in Title 6.9 of the Government Code, or otherwise prescribed by law.

**SECTION 4. Robert's Rules.** The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern the Board in all cases to which they are applicable and in which they are not inconsistent with these bylaws or any federal, state, and local laws. Failure to follow the parliamentary rules of procedures as prescribed in *Robert's Rules of Order Newly Revised* shall not invalidate any action taken by the Board.

## CHAPTER 2. MEETINGS

**SECTION 1. Regular Meeting Time and Location**. Regular Meetings shall be held at either: (1) the Metropolitan Water District (MWD) Boardroom or other designated meeting room located at 700 North Alameda Street, Los Angeles, CA 90012; or (2) the Southern California Association of Governments (SCAG) Boardroom or other designated meeting room located at 900 Wilshire Blvd., Suite 1700, Los Angeles, California 90017.

The Board shall adopt a regular meeting schedule no later than December 31 of each year, for the following calendar year, in the manner provided by State law. Meetings may be rescheduled, relocated, or cancelled by the Chair, and the Board may adopt an alternate schedule, in accordance with State law, which schedule shall be posted on the Board's website and electronically distributed to the public via the Board’s mailing list. To increase public participation, and for the benefit of the public, the Board may, but is not required to, provide additional locations for members of the public at which they can observe or address the body by electronic means under section 54953(b)(1) of the Government Code.

**SECTION 2. Special Meetings.** Special meetings of the Board may be called in the manner provided by State law.

**SECTION 3. Annual Meeting.** The Board shall hold an annual organizational meeting at its regular meeting by June 30 of each year to elect a new officer for the following fiscal year.

**SECTION 4. Quorum.** A majority of the Board constitutes a quorum for the transaction of business. Non-voting members shall not be considered for purposes of determining a quorum. The abstention of a member who is nonetheless present for discussion and voting on an item shall not affect the presence of a quorum, unless otherwise provided by law.

**SECTION 5. Absence of Quorum.** In the absence of a quorum, the Board members present may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment. If all Board members are absent, Board staff may adjourn the meeting to a stated time and place in accordance with section 54955 of the Government Code.

**SECTION 6. Agenda Items.** Items and motions may be placed on the Board agenda by Board members with the assistance of Board staff.

**SECTION 7. Legislative Matters.** The Board may propose legislation, as well as take a position on legislation, with a majority vote.

## CHAPTER 3. DEBATE AND VOTING

**SECTION 1. Motions and Seconds.** Each motion made by any Board member shall require a second. Motions and seconds may be made by any Board member.

**SECTION 2. Friendly Amendments and Unanimous Consent.** A "friendly amendment" is intended to improve a motion, which amendment must be open to debate and formally voted on, such that before the motion is stated by the Chair, the motion belongs to its author and the author can withdraw or modify the motion without asking the consent of anyone. However, in cases where an amendment is made and there is no opposition, formality may be saved by unanimous consent, such that the Chair may adopt a motion without the steps of stating the question and putting the motion to a formal vote.

**SECTION 3. Majority Vote.** Acts of the Board shall be valid and binding with a majority vote, or otherwise required by other applicable federal, state, and local laws.

## CHAPTER 4. OFFICERS

**SECTION 1. Officers and Rotation.** The Board shall be presided over by a Chair, a Vice Chair, and a Second Vice Chair (otherwise known as "officers") who shall serve on a rotating basis. The three officer positions shall not be occupied by the same constituency group or appointing body at the same time. The Chair shall serve for one (1) one-year term, during the fiscal year (July 1 through June 30), unless otherwise extended pursuant to section 2 herein. The Vice Chair and Second Vice Chair shall serve, in their respective capacities, for one (1) one-year term, following the fiscal cycle (July 1 through June 30), unless otherwise extended pursuant to section 2 herein. At the end of the Chair's term(s), the-then Vice Chair shall serve as the next Chair, and the-then Second Chair shall serve as the next Vice Chair, both, for one (1) one-year term, unless otherwise extended pursuant to section 2 herein, and an election for the Second Vice Chair shall happen in accordance with section 2 herein. The rotation of officers from Second Vice Chair, to Vice Chair, to Chair shall carry on in perpetuity. Should the Chair, Vice Chair, or Second Vice Chair have an appointed alternate, the alternate may not preside over the Board meetings, in the absence of the Chair, Vice Chair, or Second Vice Chair.

**SECTION 2. Election of Officers.** The members shall elect officers, by a majority vote, by June 30 of each year, for the following fiscal year (July 1 through June 30). Nominations for officers should be made at the Board meeting prior to the meeting whereby a vote will be held. Board members may nominate themselves or others. The agenda for the meeting shall list those Board members who have accepted nominations for the position(s). A member elected as an officer serves until the end of the next fiscal year (June 30), and at the conclusion of the term, may be re-elected by a majority vote. Officers may only serve for two full consecutive terms per officer position.

**SECTION 3. Officer Vacancies.** In the event of a vacancy in the office of the Chair, the Vice Chair shall serve as Chair for the remainder of the term. If the Vice Chair is unable to serve, the Second Vice Chair shall serve as Chair for the remainder of the term. If the Second Vice Chair, is unable to serve as Chair, the members of the Board shall elect, by majority vote, another member of the Board to serve as Chair until the end of the term. In the event of a vacancy in the office of Vice Chair, the members of the Board shall elect, by majority vote, another member of the Board to serve as Vice Chair until the end of the term. In the event of a vacancy in the office of Second Vice Chair, the members of the Board shall elect, by majority vote, another member of the Board to serve as Second Vice Chair until the end of the term.

**SECTION 4. Duties of the Chair.** The Chair shall preside at all meetings of the Board and shall conduct the business of the Board in accordance with these bylaws and section 64716(a) of the Government Code. The Chair shall preserve order and decorum.

**SECTION 5. Duties of Vice Chair.** In the absence, or inability to act, of the Chair, at a Board meeting, the Vice Chair shall preside at the meeting and conduct the business of the Board in accordance with the same rules and regulations prescribed to the Chair.

**SECTION 6. Duties of Second Vice Chair.** In the absence, or inability to act, of the Chair and Vice Chair at a Board meeting, the Second Vice Chair shall preside at the meeting and conduct the business of the Board in accordance with the same rules and regulations prescribed to the Chair.

**SECTION 7. Succession of Duties.** If the Chair is absent, then the Vice Chair shall assume the duties of the Chair and the Second Vice Chair shall assume the duties of the Vice Chair. If the Chair and Vice Chair are absent, then the Second Vice Chair shall assume the duties of the Chair. If the Chair, Vice Chair, and the Second Vice Chair are absent, then the members of the Board present may select a Chair Pro Tem by majority vote. No alternate member shall serve as the Chair Pro Tem, however, an alternate member may nominate and cast a vote for the selection of a Chair Pro Tem, but only if the Board member cannot attend the meeting.

## CHAPTER 5. DUTIES OF MEMBERS

**SECTION 1. Attendance.** Members shall attend all Board meetings and meetings of any subcommittees of which they are members. Members are expected to arrive on time, be prepared for the meetings, and must notify Board staff if they are unable to attend a meeting or are unable to arrive on time.

**SECTION 2. Participation and Public Input.** Board members are expected to participate in Board discussions and provide their input and expertise. Board members should also strive to seek input from the communities they represent and share those viewpoints with the Board, as appropriate.

## CHAPTER 6. SUBCOMMITTEES

**SECTION 1. Subcommittees.** The Board may establish subcommittees, either standing or ad-hoc, as necessary to carry out its work in accordance with section 64716(a) of the Government Code, and in the manner prescribed under section 54952(b) of the Government Code. Each subcommittee shall elect the chair of their respective subcommittee by majority vote. Subcommittee chairs should be selected with the goal of striving to achieve diversified, balanced representation from different constituency groups or appointing bodies than that of the other subcommittee chairs and officers. The membership of a subcommittee will not constitute a quorum of the full Board and interested members shall be appointed by the Chair, barring a quorum being reached. An alternate may participate in a subcommittee meeting in lieu of a Board member, but only if the Board member for whom the alternate was appointed, cannot attend the subcommittee meeting.

**SECTION 2. Subcommittee Actions.** No action may be taken by a subcommittee including, but not limited to, making recommendations to the full Board, except by a majority vote.

## CHAPTER 7. PUBLIC PARTICIPATION

**SECTION 1. Public Comment.** Members of the public may address the Board on a particular agenda item and during the general public comment section of the agenda by submitting a written request to Board staff. A person requesting to address the Board will be allowed a total of two (2) minutes per item, including general public comment. A person giving public comment in a language other than English will be allowed double the amount of time to account for translation. The Chair may, at their discretion, or subject to action by a majority, choose to limit or expand public testimony as necessary to ensure the Board's ability to conduct its business in a reasonably efficient manner.

**SECTION 2. Code of Conduct.** Members of the public in attendance at Board meetings must conduct themselves in accordance with the following Code of Conduct:

(a) Speakers must cease speaking immediately when their time has ended;

(b) Public comment on the agenda items must relate to the subject matter of that item;

(c) General public comment is limited to subjects within the jurisdiction of the Board;

(d) Public comment does not include the right to engage in a dialogue with Board members or staff; please remain respectful of the forum, and refrain from uttering, writing, or displaying profane, personal, threatening, derogatory, demeaning, or other abusive statements toward the Board, any member thereof, staff, or other person;

(e) Members of the audience should be respectful of the views expressed by speakers, staff, and Board members and refrain from clapping, cheering, whistling, or otherwise disrupting the orderly conduct of the meeting;

(f) Any person engaging in conduct that disrupts the meeting is subject to being removed from the Board meeting as described in Section 4, below; and

(g) If anyone witnesses conduct or behavior by other members of the public that disrupts their ability to remain engaged or participate in the Board meetings, please notify staff.

**SECTION 3. Signs.** Any member of the public who brings signs, posters, or other large objects to Board meetings must not block the view of other public members of the audience and may be asked to relocate as necessary.

**SECTION 4. Disruptive Conduct; Removal from Meeting Room; Clearing the Room.** In accordance with Government Code section 54957.95, at the discretion of the Chair or upon majority vote, the Chair may order the removal of any individual who is willfully disrupting the meeting so as to render the orderly conduct of such meeting unfeasible. Prior to removing an individual, the Chair must warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. The Chair may then remove the individual if they do not promptly cease their disruptive behavior. No warning is necessary if the subject behavior constitutes use of force or a true threat of force.

Under Government Code section 54957.9, if any meeting is willfully interrupted by a group or groups of persons rendering the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, it may be ordered that the meeting room be cleared and the meeting can continue in session. Representatives of the press or any news media, except those participating in the disturbance, must be allowed to attend any session held pursuant to this section. Nothing shall prohibit the Board from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

Disruptive conduct includes, but is not limited to, any of the following acts:

(a) Disorderly, contemptuous or insolent behavior toward the Board or any member thereof, actually disrupting the due and orderly course of a meeting;

(b) A breach of the peace, boisterous conduct, including the utterance of loud, threatening or abusive language, whistling, stamping of feet, or violent disturbance, actually disrupting the due and orderly course of a meeting;

(c) Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board, actually disrupting the due and orderly course of a meeting; and

(d) Any other conduct that actually disrupts the due and orderly course of a meeting.

ADOPTED 12/14/2023
BYLAWS AMENDMENT ADOPTED 11/14/2024
BYLAWS AMENDMENT ADOPTED 4/16/2025
BYLAWS AMENDMENT ADOPTED 9/17/25

# CODE OF CONDUCT

The Los Angeles County Affordable Housing Solutions Agency (LACAHSA) has adopted a Code of Conduct that will be posted on LACAHSA's website, added as a link to every LACAHSA agenda distributed, and physically posted at the location where LACASHA meetings take place. The LACAHSA Board requests that meeting participants comply with this Code of Conduct to ensure the efficient administration of the meeting.

Members of the public, it is your right to participate in LACAHSA Board meetings, and the Board encourages such participation. However, the right of the public to address the LACAHSA Board must be balanced with the need to ensure that public comment does not interfere with the orderly course of the Board's business. Everyone is reminded to abide by the following rules:

- Speakers must cease speaking immediately when their time has ended;
- Public comment on the agenda items must relate to the subject matter of that item;
- General public comment is limited to subjects within the jurisdiction of the LACAHSA Board;
- Public comment does not include the right to engage in a dialogue with LACAHSA Board Members or staff; please remain respectful of the forum, and refrain from uttering, writing, or displaying profane, personal, threatening, derogatory, demeaning, or other abusive statements toward the LACAHSA Board, any member thereof, staff, or other person;
- Members of the audience should be respectful of the views expressed by speakers, staff, and LACAHSA Board Members and refrain from clapping, cheering, whistling, or otherwise disrupting the orderly conduct of the meeting;
- Any person engaging in conduct that disrupts the meeting is subject to being removed from the LACAHSA Board meeting; and
- If anyone witnesses conduct or behavior by other members of the public that disrupts their ability to remain engaged or participate in the LACAHSA Board meetings, please notify staff.

Thank you for your cooperation.

# MEETING AGREEMENTS

- **Racial Equity:** We center racial equity in our processes and decisions, recognizing that Black, Indigenous, and People of Color are disproportionately impacted by the housing and homelessness crises.

- **Shared ownership:** We consider the needs of the whole County and make the best decision for the agency overall, not just for our own constituents or personal priorities.

- **Inclusion:** We consistently ask each other questions like - “What bias might be in this conversation and how can we mitigate it? Who is most impacted by this decision and how can we center their needs and perspectives?”

- **Innovation:** We are open to new and bold ideas and ways of working, beyond the norms of traditional government bodies.

- **Take space, make space:** We enable an equitable share of voice in our meetings; Board members self-monitor whether they should lean into conversations or step back to allow for others to participate.

- **Constructive conflict:** We engage in candid, constructive debate and have the real conversations in the room, avoiding side negotiations.

- **Outcomes-orientation:** We seek to be productive and impactful in our work; we are focused on urgently solving the housing crisis.

- **Collaboration:** We build on the ideas and perspectives of our teammates.

- **Accountability:** We close out meetings with a recap of the group’s decisions and next steps. We support decisions once made, regardless of personal views.

- **Kindness:** We strive for patience and understanding to ensure each person is heard.

ADOPTED 6/28/2023

# TRAVEL EXPENSE
# REIMBURSEMENT POLICY FOR BOARD AND COMMITTEE MEMBERS

PURPOSE AND GENERAL PROVISIONS

A. The Los Angeles County Affordable Housing Solutions Agency's ("LACAHSA") Board Members, and members of its Citizens Oversight Committee (collectively, " Officials") may need to incur actual and necessary travel, transportation, and meal expenses in the course of conducting LACAHSA-related business from time-to-time; and

B. The LACAHSA Governing Board ("**Board**") also desires to encourage Officials, as appropriate and as duly authorized, to attend conferences, seminars and meetings on behalf of LACAHSA from time-to-time; and

C. LACAHSA is not subject to the provisions of Assembly Bill No. 1234 regarding the compensation and reimbursement of members of legislative bodies, and may deviate from its provisions as the Board deems appropriate, but the Board intends to establish a Policy that will embody the AB 1234's goals regarding the stewardship of public funds.

D. This Policy was adopted by the Board on January 22, 2025.

E. LACAHSA's Chief Executive Officer ("CEO"), or designee, shall be responsible for carrying out, implementing and administering this Policy.

ARTICLE 1

EXPENSES PAID BY LACAHSA

1.1 Lodging. Except in extenuating circumstances, lodging for LACAHSA-related business shall be paid for directly by LACAHSA, rather than reimbursed, for each day of travel on LACAHSA-related business requiring overnight lodging, subject to the limitations on out-of-state travel and conference travel described in Section 2.2 below. If such lodging is in connection with a conference, lodging expenses must not exceed the lodging group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. LACAHSA will seek to use government rates for lodging, when available. Lodging rates that are equal to or less than government rates are presumed to be reasonable and hence shall be used for purposes of this Policy. In the event that government rates for lodging are not available at the time of booking for a given area, then LACAHSA may use any of the following options, in order of preference:

1.1.1 Lodging that does not exceed the United States Internal Revenue Service ("IRS") per diem rates for the area in which the LACAHSA-related business event is located.

1.1.2 Lodging that does not exceed the median retail price for lodging for the area (within a reasonable distance of the LACAHSA-related business event) listed on public travel reservation websites or equivalent services, including but not limited to www.priceline.comTM.

1.1.3 The actual lodging rate, if approved in writing, with written justification, by the CEO or designee in accordance with applicable laws.

## ARTICLE 2

## REIMBURSEMENT POLICY

2.1 Expense Reimbursement. LACAHSA will reimburse its eligible Officials for the substantiated Qualified Business Related Expenses they incur in connection with their performance of official duties on behalf of LACAHSA. Substantiation must be provided within twenty-one (21) days, or such other reasonable time as may be approved by the Board, of the date in which the expense is incurred.

2.2 Out-of-State Travel and Conference Travel. Pursuant to Senate Bill 679, LACAHSA shall only reimburse Officials for travel within California and travel to conferences within California. LACAHSA is statutorily prohibited from reimbursing Officials for travel outside California or travel to conferences outside California. The Official must request compensation, payment or reimbursement directly from their home city or county for out-of-state travel or travel to conferences outside California. (See Government Code section 64711(e)(3).)

2.3 Eligibility. Only Officials who have incurred, or are reasonably expected to incur, Qualified Business Related Expenses in connection with the performance of official duties on behalf of the LACAHSA are eligible to receive a reimbursement.

2.3.1 Lodging in Extenuating Circumstances. In extenuating circumstances, Officials shall be eligible to receive a reimbursement for each day of travel on LACAHSA-related business requiring overnight lodging. Such reimbursements will only be allowed in unforeseen situations where LACAHSA has not already directly paid for the Official's lodging.

2.4 Qualified Business Related Expense. A Qualified Business Related Expense shall be an expense incurred in the pursuit of LACAHSA-related business while in the performance of official duties on behalf of LACAHSA, if they are deductible by LACAHSA under Internal Revenue Code Section 161 et seq. but for LACAHSA's exemption from federal income taxes, or as defined by the Department of the Treasury. Such expenses include:

2.4.1 Transportation Expenses While at Home. Transportation expenses other than the cost of commuting from the Official's home to their place of work, including, without limitation, the following:

(a) cab, train or bus fares; or

(b) a pro rata share of the Official's costs of operating his or her automobile, including, without limitation, gas, oil and depreciation.

2.4.2 Travel Expenses Away From Home. Expenses incurred while traveling away from home where the travel is of such duration that it is reasonably expected that the Official will require substantial sleep or rest to complete the trip, including, without limitation, the following:

(a) air, train, cab, bus, or ride-share fares, meals, incidental expenses, and overnight lodging in extenuating circumstances that are not lavish or extravagant and are within the per diem.

Qualified Business Related Expenses shall not include meals, incidental expenses or other travel expenses for any individual who is not an Official, or any of the following expenses: the personal portion of any trip; entertainment expenses, including theater, movies, sporting events or other cultural events; non-mileage personal automobile expenses; personal losses incurred while on LACAHSA business; personal services, such as haircuts, dry cleaning, or personal sundries; and consumption of items in the in-room snack bar.

2.5 LACAHSA-Related Business. For purposes of this Policy, LACAHSA-related business shall mean any one or more of the following:

2.5.1 Communicating with representatives of regional, state and national government on LACAHSA policy positions;

2.5.2 Attending, within California, educational seminars designed to improve officials' skill and information levels;

2.5.3 Participating in regional, state and national organizations whose activities affect the LACAHSA's interests;

2.5.4 Recognizing service to LACAHSA (for example, thanking a longtime employee with a retirement gift or celebration of nominal value and cost, within statutory limits);

2.5.5 Attending, within California, LACAHSA events or meetings;

2.5.6 Other activities that the Board approves for LACAHSA-related business.

LACAHSA-related business does not include attendance at Board or Committee meetings, including any subcommittee or ad hoc committee of LACAHSA.

## ARTICLE 3

## LIMITATION ON EXPENSES

3.1 Approval. Officials shall not incur costs for traveling outside of Los Angeles County or for overnight travel unless the Board budgets for or approves the expenditure. Except where the need for travel arises in an emergency or otherwise on short notice, Officials shall provide sufficient advanced notice to the Board Chair and the **CEO**, or designee, of any travel in order to provide time for processing payments and making reservations and other travel arrangements. In extenuating circumstances where a request cannot reasonably be pre-approved, the Board may ratify reimbursement of costs incurred at a regularly scheduled Board meeting.

3.2 Transportation. Prudent judgment shall be exercised in the selection of an Official's mode of transportation. This Section is intended to encourage the most efficient and least expensive mode of transportation. Subject to the other provisions of this Policy, the actual costs for LACAHSA-related business travel will only be reimbursed if they are deemed the most economical and reasonable as set forth in this Section:

3.2.1 Airfare. If accessible, Airfares that are equal to or less than those available through the Enhanced Local Government Airfare Program offered through the League of California Cities, the California State Association of Counties, the State of California, and approved for use by the CEO, or designee, in advance are presumed to be the most economical and reasonable for purposes of reimbursement under this Policy.

3.2.2 Vehicle Rentals. Rental rates that are equal to or less than those available through the State of California's official website (https://www.dgs.ca.gov/OFAM/Travel/Resources/Page-Content/Resources-List-Folder/Car-Rental?search=rental%20rates), as approved by the CEO, or designee, in advance shall be considered the most economical and reasonable for purposes of reimbursement under this Policy.

3.2.3 Taxis/Ride-Sharing. Taxis, ride-sharing services such as UberTM or LyftTM, and shuttles fares may be reimbursed, including a 20 percent gratuity per fare, when the cost of such fare is equal or less than the cost of a car rental, gasoline and parking combined, or when such transportation is necessary for time-efficiency. Taxi and ride-sharing expenses will only be reimbursed upon providing a receipt to the CEO, or designee, for each taxi fare or ride-sharing expense.

3.2.4 Public Transportation. Bus, trains, trolleys, ferries, and other public transportation will be reimbursed for the most economical fare available, without first class, business class, or similar upgrades, which may be purchased at rider's own expense. Public transportation expenses will only be reimbursed upon providing a receipt for each fare to the CEO, or designee.

3.2.5 Other. Other incidental expenses for travel on LACAHSA-related business including, but not necessarily limited to: (1) lodging in extenuating circumstances; (2) business-related long distance telephone calls, fax, and short-term internet not covered under a pre-existing plan or service arrangement; and (3) parking fees shall be reimbursed at cost, based upon supporting documentation. Long-term parking must be used for travel exceeding 24 hours to be eligible for reimbursement. Baggage handling charges may be reimbursed up to $40 per bag.

3.2.6 Meals. For Officials who may receive reimbursement for meal expenses and associated gratuities necessitated by LACAHSA-related business, such reimbursement will be subject to a maximum reimbursement amount of the most recent IRS rates. Cost of alcohol shall not be reimbursed.

## ARTICLE 4

## SUBSTANTIATION OF EXPENSES

4.1 Required Substantiation. Qualified Business Related Expenses shall be substantiated by the eligible Official within twenty-one (21) days of the date they incur the expense or such other reasonable period as shall be determined by LACAHSA based on the particular facts and circumstance of the expense. All reimbursement requests must be submitted on an expense report form provided by the CEO, or designee.

4.2 Transportation Expenses. An eligible Official may elect to substantiate transportation expenses by either of the following methods:

4.2.1 Expense Itemization Method. Under this method an Official must submit a written chronology to the CEO< or designee, of the place(s), amount(s) and business purpose(s) of the expense using a form provided by the CEO or designee. An Official shall satisfy this requirement by submitting the documentation specified in items (a) and (b) below:

(a) A statement of expense, business travel log or journal which contains the place(s), amount(s) and business purpose(s) of the expense; and

(b) copies of receipts or bills paid for each expense.

4.2.2 Fixed Mileage Method. Under this method, the Official's actual transportation expenses are deemed substantiated if they submit a written chronology to the CEO, or designee, indicating the localities of origination and destination, miles traveled, persons or business facilities visited and business purpose(s) using a form provided by the CEO, or designee, and copies of receipts for any bridge and road tolls paid. The Official's reimbursement is limited to an amount equal to the fixed mileage reimbursement rate in effect under the Internal Revenue Code multiplied by the number of business miles substantiated, plus up to $75 for all receipted bridge and road tolls.

(a) Exception for Rental Cars. The IRS mileage rate will not be paid for rental vehicles, and only receipted fuel expenses will be reimbursed.

4.3 Meals and Incidental Expenses.

4.3.1 Expense Itemization Method. Officials shall submit a written chronology to the CEO, or designee, of the place(s), amount(s) and business purpose(s) of the expense using a form provided by the CEO, or designee. This requirement shall be satisfied by submitting the documentation specified in items (a) and (b) below:

(a) A statement of expense, business travel log or journal which contains the place(s), amount(s), attendee(s) and business purpose(s) of the expense; and

(b) copies of receipts or paid bills for each expense.

In no event shall the reimbursement of expenses under this method exceed the limitation set forth in Section 3.3.

4.4 Failure to Substantiate. An Official shall not be entitled to reimbursement for expenses which are not substantiated. In the event substantiation is provided after the expiration of the period described in Section 4.1, any reimbursement by LACAHSA will not qualify as a Qualified Business Related Expenses under this Policy.

If an Official receives reimbursement for any expense and fails to substantiate any of the reimbursable amounts in accordance with this Policy, the Official may be required to report such unsubstantiated amounts on the Official's W-2 as additional compensation in the tax year in which they received the payment.

4.5 Return of Excess Amounts. An Official must return to LACAHSA, through the CEO, or designee, any reimbursement that they received in excess of the substantiated expense within one hundred twenty (120) days of the date of the expense or such other period of time as LACAHSA, as determined by the CEO or designee, may deem reasonable in light of the facts and circumstances of the particular expenses. Where the Official elects to be reimbursed using the fixed mileage rate that does not exceed the applicable rate in effect under the Internal Revenue Code, the Official need not return amounts received as a reimbursement in excess of actual expenses.

4.6 Penalties. Any Official that misuses LACAHSA resources or falsifies an expense report required by this Policy is subject to the following penalties: (1) loss of reimbursement privileges; (2) restitution of LACAHSA; (3) civil penalties for misuse of public resources pursuant to Government Code Section 8314; and/or (4) prosecution for misuse of public resources pursuant to Penal Code Section 424.

## ARTICLE 5

## REIMBURSEMENT PROCEDURE

5.1 Required Reimbursement Procedure. Reimbursement of Qualified Business Related Expenses shall be made in accordance with the following procedure:

5.1.1 The Official shall forward to the CEO, or designee, a written request for expense reimbursement using the LACAHSA's expense reimbursement form, together with all documents substantiating the travel expense(s) incurred within the period specified in Section 4.1.

5.1.2 The CEO, or designee, shall review the request for accuracy, reconcile the requested reimbursement and substantiating documentation and make appropriate adjustments in the amount of reimbursement, if necessary, to conform to the terms of this Policy.

5.1.3 Payment shall be made to the Official as soon as administratively feasible.

ADOPTED 1/22/25

**POLICY DELEGATING CERTAIN AUTHORITY TO THE POSITION OF CHIEF EXECUTIVE OFFICER**

PURPOSE AND GENERAL PROVISIONS

A. The Los Angeles County Affordable Housing Solutions Agency ("LACAHSA") has an obligation to ensure the ethical, lawful and responsible management of LACAHSA operations on a day-to-day basis; and

B. LACAHSA will manage, in part, these day-to-day operations utilizing the following delegations of authority granted to the position of Chief Executive Officer regardless of whether such position is held in an acting, interim or permanent capacity (the "CEO"); and

C. This Policy supersedes and takes precedent over all other prior CEO delegations of authority granted by the Board, regardless of how such authority was granted or approved; and

D. Said delegations are in addition to any delegations of authority to the CEO set out in Government Code section 64700 et seq., and other applicable laws; and

E. Said delegations are provided at the sole and absolute discretion of the LACAHSA Governing Board ("Board") and may at any time be revoked, modified or suspended, in whole or in part, at any time by action of the Board.

<u>CEO DELEGATIONS OF AUTHORITY</u>

The following delegations of authority shall rest with the position of CEO:

1. Manage, oversee, supervise and carry out the day-to-day operations of LACAHSA, comply with and follow all direction and requirements of the Board, and comply at all times with all applicable laws and LACAHSA policies, including those laws and policies concerning conflicts of interest.

2. Except as otherwise stated or excluded elsewhere in this Policy, hire staff at will, through employment contracts or through temporary service contracts, define their written qualifications and delegated duties, and provide for (through contract or otherwise) a schedule of compensation and benefits for the performance of their duties, in accordance with all applicable laws, Board approved delegations of authority and Board approved policies, in amounts not to exceed the Board approved budget during applicable fiscal years.

3. In an amount not to exceed $150,000.00, solicit for, negotiate, enter into, execute, terminate, amend, and implement contracts to acquire goods or services for the sole benefit of, in the name of and as the property of LACAHSA, with the contract term not to exceed one (1) year , subject

to review as to form by LACAHSA counsel; and all contracts must comply with LACAHSA's procurement and other policies.

4. In an amount not to exceed $200,000.00, apply for and receive grants on behalf of and for the sole and exclusive benefit of LACAHSA from federal, state and local agencies, subject to ratification by the Board, and cause these amounts upon their receipt to be immediately deposited in LACAHSA accounts managed by the County of Los Angeles Auditor-Controller, or designee.

5. In an amount not to exceed $200,000.00, solicit (in accordance with applicable laws) and accept gifts, fees, and other allocations from public and private entities and cause these amount to be immediately deposited in LACAHSA accounts managed by the County of Los Angeles Auditor-Controller or designee, on behalf of and for the sole and exclusive benefit of LACAHSA subject to ratification by the Board.

6. Deposit moneys of LACAHSA into LACAHSA accounts set up and managed by the County of Los Angeles Auditor-Controller or designee for the sole and exclusive benefit of LACAHSA.

7. Manage and oversee the LACAHSA contracting process and LACAHSA contracts on behalf of and for the sole and exclusive benefit of LACAHSA, with all contracts subject to review as to form by LACAHSA counsel; contracts excluded from this delegation include any and all CEO Employment Agreements, and all contracts where the Board authorizes a representative or designee other than the CEO.

8. Establish written contracting and procurement processes, protocols and policies consistent and in compliance with applicable local, state, federal laws and LACAHSA policies, subject to review and approval by the Board.

9. Establish written processes, protocols and policies for LACAHSA to land bank, assemble parcels, and lease, purchase, or otherwise acquire land for housing development consistent with and in compliance with local, state, federal laws, and LACAHSA policies, subject to review and approval by the Board.

10. Collect data on housing production and monitor progress on meeting regional and state housing goals; report back to the Board on a quarterly basis on data collection and monitoring efforts, results, analyzes and recommendations.

11. Provide public information about LACAHSA's housing programs and policies, and engage stakeholders, while preserving and maintaining all LACAHSA confidential information.

12. Act in compliance with all applicable laws, including but not limited to the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1).

13. Develop written plans, policies and procedures, subject to review and approval by the Board, to allocate and deploy capital and generated fees or income in the form of grants, loans, equity, interest rate subsidies, and other financing tools to the cities and other public agencies within the Los Angeles County area, and private affordable housing developers to finance affordable housing development, preserve and enhance existing affordable housing, and fund tenant protection programs, pursuant to this title, in accordance and in compliance with applicable local, state and federal laws, including LACAHSA policies.

14. Collaborate with staff employed by the Los Angeles Metropolitan Transportation Authority and the County of Los Angeles with shared planning and services.

15. In collaboration with LACAHSA counsel, and at the direction of the Board, assist in the development of a path and strategic plan for the successful solicitation, selection and onboarding of individuals to fill roles equivalent or analogous to a LACAHSA Director of Human Resources, Chief Financial Officer, Chief Operations Officer, and others as needed.

16. Execute on behalf of LACAHSA and the Board, Board approved official documents (excluding resolutions and ordinances) and contracts, except contracts set out in Section 7 above, in excess the delegated monetary delegations set out herein, including contracts to acquire goods or services.

17. Carry out all other duties and responsibilities as directed, delegated or assigned by the Board.

ADOPTED 1/22/25

## PROCUREMENT POLICY

### I. PURPOSE

The purpose of this Procurement Policy ("Policy") is to establish procedures to govern contracting and/or purchasing of goods or services for the Los Angeles County Affordable Housing Solutions Agency ("LACAHSA"). It is the policy of LACAHSA Board of Directors ("Board") that LACAHSA conducts an open, fair and full competitive solicitation process for procurement of goods and/or services, with exemptions for certain goods and/or services and classes of procurement, and case-by-case exceptions.

The Board may contract for goods and/or services as may be necessary or convenient in accordance with California Government Code sections 64700- 64832.

### II. GENERAL PROVISIONS

1. LACAHSA shall ensure that entities have a fair and equitable opportunity to compete for and participate in LACAHSA contracts.

2. LACAHSA shall ensure that discrimination in the award and performance of contracts does not occur on the basis of any protected category under federal and State law including but not limited to race, color, sex, religion, national origin, or retaliation for having filed a discrimination complaint in the performance of LACAHSA contractual obligations.

3. To the extent that any conflict exists between this Policy and any requirements imposed by federal and/or State law, including as a condition of receipt of State or federal funds, the State or federal requirements shall prevail.

4. For all formal Competitive Solicitations, exceptions or alternatives to Competitive Solicitations, and contracting processes, LACAHSA must receive at least as favorable pricing, warranties, conditions, benefits, and terms as other customers or clients making similar purchases or receiving similar Goods and/or Services.

5. LACAHSA has sole discretion to determine whether to solicit Goods or Services through solicitations such as a Request for Proposals ("RFP"), Request for Bids ("RFB"), Request for Statement of Qualifications ("RFSQ"), any additional processes, or an exception or alternative to a Competitive Solicitation.

6. All Competitive Solicitations shall be posted on LACAHSA's website and may be posted on any other public website or posting as determined by LACAHSA.

7. This Policy does not address the following types of contracts: public works contracts, including those for alteration, improvement, repair or

maintenance of real or personal property, acquisition of real property, and memoranda of understandings.

## III. DEFINITIONS

1. "Agreement" is an agreement or contract between LACAHSA and a selected Proposer for Goods and/or Services. An Agreement must be executed prior to any Goods and/or Services being provided by the selected Proposer.

2. "Best Response/Value" is an award based on evaluated criteria where cost is not the sole determining factor. Rather, the award is based on factors other than price that provide the best overall value to LACAHSA.

3. "Bid" is a response provided by a Proposer to a Competitive Solicitation by LACAHSA where pricing is the primary factor.

4. "Competitive Solicitation" is a formal process that gives qualified parties an equal and open opportunity to compete for a contract with LACAHSA in which LACAHSA procures Goods, Services, or a combination thereof from Proposers so to secure the Best Value for LACAHSA, unless an exception or alternative, in accordance with State or local laws, exists to a Competitive Solicitation requirement.

5. "Contractor" is a person or entity that has been selected by LACAHSA to provide Goods and/or Services, agrees to the terms and conditions of as required by LACAHSA, and executes a legally binding Agreement with LACAHSA

6. "Goods" means all types of tangible personal property, including materials, supplies, equipment, or software.

7. "Officials" includes LACAHSA Board members, officers, directors, members of commissions, committees, and other related bodies or entities, alternate members, staff, employees, agents, and representatives.

8. "Legal Services" is legal representation, advocacy, advice, counsel, or other similar legal services provided by an attorney, or a law firm, company or partnership with attorneys duly licensed by the California State Bar or authorized to practice in the State of California.

9. "Master Agreement" is an agreement between LACAHSA and a Pre-Qualified Contractor who submitted a Proposal through a Request for Statement of Qualifications, or equivalent Competition Solicitation, for any Goods and/or Services, except for Legal Services, and does not guarantee any minimum amount of work or funding.

10. "Piggyback Solicitation" refers to the use of a prior Competitive Solicitation issued by another Public Entity, organization, or association for the same Goods and/or Services that allows for other entities such as LACAHSA to utilize their Competitive Solicitation and executed Agreement, in which the cost or price is equal to or less than the price paid by the Public Entity, organization, or association that conducted the Competitive Solicitation. This may include solicitations that are conducted in accordance with the procedures of the California Multiple Award Schedules Program (the "CMAS Program"), the United States General Services Administration, the United States Communities Government Purchasing Alliance or any similar cooperative purchasing program. LACAHSA must ensure that the Piggyback Solicitation is in compliance with this Policy and with the funding source to be used by LACAHSA for such Goods and/or Services.

11. "Proposer" is a person or business entity who seeks to do business with LACAHSA by responding to a Competitive Solicitation of any kind, or has been selected by LACAHSA to enter into an Agreement for the Goods and/or Services.

12. "Proposal" is a response by a Proposer to a Competitive Solicitation issued by LACAHSA where pricing and other factors may be considered.

13. "Public Entity" means the State, county, city, city and county, district, public authority, public agency, municipal corporation, or any other political subdivision or public corporation in the State.

14. "Services" is the performance of labor by an individual or business entity for and/or on behalf of LACAHSA.

## IV. CODE OF CONDUCT

1. LACAHSA Officials and Proposers must comply with all federal, State, and local conflict of interest laws. LACAHSA must ensure there are no conflict of interest or any actual or perceived bias before or during the Competitive Solicitation and the resultant Agreement.

2. LACAHSA Officials involved in the LACAHSA contracting process must follow high standards of conduct. LACAHSA Officials are expected to discharge their duties impartially to ensure fair, competitive access to contracting opportunities by responsible Proposers and to foster public confidence in the integrity of LACAHSA's procurement practices. In addition to compliance with all federal, State, and local laws, LACAHSA Officials must adhere to the LACAHSA Policy on Conflicts in Contracts, adopted on May 19, 2024, and as it may be amended.

3. Proposers must comply with California Government Code section 84308 which requires a party to a contract proceeding to disclose any contribution as set forth in Page 3 LACAHSA Procurement Policy the code, made to a

LACAHSA Board member within the preceding twelve (12) months by the party or their agent. State regulations require this disclosure to be made at the time an application is filed, and, if a contribution is made during the contract proceeding, within thirty (30) days of making a contribution or on the date on which the party first appears before or communicates with the agency regarding the proceeding after making the contribution, whichever is earliest. All Proposers and subcontractors must complete and return as part of the Proposal, a Contribution and Agent Declaration Form. Proposers and Subcontractors must update the Contribution and Agent Declaration Form throughout the pendency of the solicitation if a contribution is made after the initial disclosure when the proposal is submitted, and as requested at any time by LACAHSA prior to Contract award. Failure by the Proposer or any subcontractor to complete and submit the required Contribution and Agent Declaration Form, and failure by the Proposer or any subcontractor to update the declaration as required by law or as otherwise requested by LACAHSA, may eliminate the Proposal from further consideration and/or the Proposer may be disqualified from a contract award, as determined in LACAHSA's sole discretion. Further, all Proposers and subcontractors are prohibited from making a contribution in accordance with Government Code section 84308 to a LACAHSA Board members for twelve (12) months after the date a final decision is made in the contract proceeding involving this solicitation.

## V. RULES REGARDING COMPETITIVE SOLICITATION OF GOODS OR SERVICES

1. Competitive Solicitations will be used when required under State, federal law, or local laws.

2. Confidentiality. During the Competitive Solicitation, precautions should be taken to ensure information is not disclosed prematurely or selectively, as this could unfairly advantage or disadvantage certain Proposers. LACAHSA must ensure the integrity of the Competitive Solicitation process.

3. Types and Description of Competitive Solicitations: This section lists the types of LACAHSA's procurement options.

    a. Request for Proposals ("RFP"):

        i. An RFP may be used to procure complex or unique Services in which LACAHSA's requirements are defined but expertise and methods may vary; when creative or innovative approaches are needed; when a combination of Goods and Services is needed; and/or where performance of Services is anticipated to be ongoing in nature.

ii. An RFP should include a statement of work, responsibility criteria, or evaluation criteria for which a Proposal will be evaluated. An RFP should include LACAHSA's goals, objectives, major tasks, or timelines. An RFP may include a budget for the work being procured. A Proposal would offer a detailed explanation of Proposer's approach, detailed work plans, solutions, or methods, and costs/budget.

iii. A selected Proposer will execute an Agreement with LACAHSA for the Goods or Services, or a combination thereof. LACAHSA may engage in negotiations on the terms and conditions of the Agreement with the selected Proposer(s), including but not limited to the scope of services or cost/budget; however, LACAHSA Officials must ensure that during negotiations they will stay within the parameters of the Competitive Solicitation issued by LACAHSA.

b. <u>Request for Statement of Qualifications ("RFSQ")/Request for Qualifications ("RFQ")</u>

i. An RFSQ or RFQ is for a predetermined set of qualification in which Proposals submitted will provide LACAHSA a qualified pool of contractors who can provide Goods and/or Services to LACAHSA (collectively "Qualified Contractors"). A RFSQ or RFQ can be left open so that Proposers can be qualified through the term of the Master Agreement.

ii. Qualified Contractors must execute a Master Agreement. The terms and conditions are identical for all Qualified Contractors. No exceptions or deviations in the terms and conditions set forth in the Master Agreement are allowed. Qualified Contractors are not guaranteed any work through the Master Agreement.

iii. The Services can be sub-categorized so that the pool of Qualified Contractors can be specialized under a larger umbrella. Subsequent Goods and/or Services are solicitated through a work order solicitation ("Work Order Solicitation") at the time Goods and/or Services are required. A subsequent work/purchase order through the Master Agreement is awarded to the Qualified Contractor based on price or other categories set forth in the Work Order Solicitation.

iv. A Work Order Solicitation contains a statement of work explaining the specific project in detail, objectives, and deliverables, tasks, or milestones (collectively, "Statement of Work"). The Statement of Work typically specifies the proposed schedule and anticipated budget. A Qualified Contractor must acknowledge the Goods and/or Services to be provided in the Statement of Page 5 LACAHSA Procurement Policy Work, and other relevant solutions or methods prior to the issuance of a work/purchase order.

c. Invitation for Bid ("IFB"):

i. An IFB may result in one or multiple Agreements and may be used to procure Goods and/or Services. The project requirements must be well-defined and price is the only discriminator. The award must be provided to the lowest responsive and responsible bidder.

ii. In evaluating the IFB, LACAHSA evaluates the Bid submitted by the Proposer. An IFB may include relevant contract, specifications, or scope requirements, and a not-to-exceed amount or fixed price.

d. Request for Information ("RFI"):

i. An RFI is not a Competitive Solicitation but is used to determine whether there is market availability or interest in satisfying a specific need or providing the solution to a problem for which information is not available. An RFI does not result in contract awards.

ii. RFI results may help inform LACAHSA regarding procurement approach for a future Competitive Solicitation, and are considered part of the planning process for a future procurement.

4. Awards of Competitive Solicitation: Competitive Solicitations shall be awarded on a Best Response/Value basis. Any deviations to the Best Response/Value basis must otherwise be specified in the Competitive Solicitation document and be in compliance with State, federal or local laws.

5. Small Purchases: Small Purchase procedures are a simplified, informal method for acquiring Goods and/or Services when the total value, including any tax or fees, is $20,000 or less. LACAHSA is required to obtain at least three (3) Bids in writing for the required Goods and/or Services. In no event shall LACAHSA split purchases into more than one work/purchase order in order to avoid the Competitive Solicitation requirements in this Policy. LACAHSA will consider the lowest price and Best Response/Value basis in selecting the Proposer.

## VI. REVIEW PROCESS FOR COMPETITIVE SOLICITATIONS

1. All Competitive Solicitations should include language on how a Proposer or potential Proposer may request a review. Any Proposer or potential Proposer who (i) would have submitted a Proposal but for a requirement or provision in the solicitation document, or (ii) is determined nonresponsive, or (iii) is not being Page 6 LACAHSA Procurement Policy recommended for award of an Agreement, may request the following levels of review.

2. Whenever possible, any review should be performed by one or more LACAHSA representatives with contracting knowledge or experience, who were not involved to a substantial degree with the Competitive Solicitation.

   a. Solicitation Requirements Review: Any person or entity may seek a Solicitation Requirements Review by submitting a written request for review to LACAHSA. Requests for a Solicitation Requirements Review not satisfying all of the criteria below, in LACAHSA's sole discretion, may be denied. A request for a Solicitation Requirements Review should be granted if it satisfies all of the following criteria:

      i. The request is made within the time frame identified in the Competitive Solicitation document;

      ii. The request includes documentation which identifies the underlying authority of the person or entity to submit a Proposal;

      iii. The request itemizes in appropriate detail, each matter contested and factual reasons for the requested review; and

      iv. The request asserts that either:

         (1) application of the minimum requirements, evaluation criteria and/or business requirements unfairly disadvantages the person or entity; or,

         (2) due to unclear instructions, the process may result in LACAHSA not receiving the best possible responses from prospective Proposers.

         LACAHSA reviews shall be completed and LACAHSA's determination shall be provided to the Proposer, in writing, within a reasonable time prior to the Proposal due date.

   b. Disqualification Review: If LACAHSA determines that a Proposal is non-responsive at any time during the review/evaluation process, the Proposal may be disqualified from consideration and the Proposer will be notified in writing. Upon receipt of LACAHSA's written notification of non-responsiveness, the Proposer may submit a written request for a Disqualification Review by the date specified in the written notification. The request for a Disqualification Review must assert that the disqualification of the Proposal was erroneous (e.g. factual errors, etc.) and provide factual support on each ground asserted as well as copies of all documents and other material that support the assertions.

LACAHSA's determination shall be provided to the Proposer in writing, prior to the conclusion of the evaluation process.

c. Proposed Contractor Selection Review: Upon completion of the evaluation, LACAHSA will notify the recommended Proposer, commence contract negotiations with that Proposer, and notify the remaining Proposers in writing that they were not selected.

i. After completion of evaluations and selection of the recommended Proposer, subject to the sole and absolute discretion of LACAHSA, LACAHSA may offer a debriefing opportunity to the Proposers not selected. Grounds for Proposed Contractor Selection Review are limited to:

(1) LACAHSA materially failed to follow procedures specified in its solicitation document.

(2) LACAHSA made identifiable mathematical or other errors in evaluating proposals, resulting in the Proposer receiving an incorrect score and not being selected as the recommended contractor.

(3) A member of the evaluation committee demonstrated bias in the conduct of the evaluation.

(4) Another basis for review as provided by state or federal law.

ii. The request for a Proposed Contractor Selection Review must set forth sufficient detail to demonstrate that, but for LACAHSA's alleged failure, the Proposer would have been the lowest cost, responsive, and responsible bidder or highest-scored Proposer.

iii. Upon completing the Proposed Contractor Selection Review, LACAHSA shall issue a written decision to the Proposer before the date the Agreement award recommendation is to be heard by the Board. The written decision should state that if the Proposer is not satisfied with the results of the Proposed

Contractor Selection Review, the Proposer may request the LACAHSA Chair review within the timeframe specified.

iv. The LACAHSA Chair may review the decision. The LACAHSA Chair's decision shall be final.

## VII. EXCEPTIONS OR ALTERNATIVES TO COMPETITIVE SOLICITATION OF GOODS OR SERVICES

1. Exceptions or alternatives to Competitive Solicitation of Goods and/or Services may be used in the below circumstances. In the event that a Good and/or Service is Page 8 LACAHSA Procurement Policy procured through an exception or alternative to a Competitive Solicitation requirement, LACAHSA Officials shall justify the use of that exception in writing and that justification shall be retained by LACAHSA in accordance with LACAHSA Records Retention Policy, adopted on May 29, 2024, and as it may be amended.

2. Piggyback Solicitation: LACAHSA may engage in Piggyback Solicitation if the Piggyback Solicitation is in the best interest of LACAHSA to utilize it and such Piggyback Solicitation is in accordance with this Policy and in compliance with State or federal programmatic or funding requirements.

3. Contracts with Public Entities: LACAHSA may directly contract with a Public Entity without a Competitive Solicitation, unless otherwise required by State, federal, or local laws.

4. Sole Source Purchasing: Sole Source purchasing of Goods and/or Services are authorized when the Good and/or Service is any of the following:

    a. Available from only a single source and performance and price competition are not available.

    b. It is in the economic interest of LACAHSA.

    c. Needed to address an exigency, emergency, or time-sensitive need.

    d. Compliance with federal and/or State programmatic or funding requirements.

    e. The awarding federal and/or State agency expressly authorizes noncompetitive proposals in writing.

    f. After solicitation of a number of sources, competition is determined inadequate.

g. Contracts for equipment repairs, maintenance, or parts obtained from the manufacturer of the equipment or its exclusive agent or authorized service representative.

h. Legal Services including expert witnesses.

Where LACAHSA elects to utilize a sole source selection process, the following factors will not be the basis for selecting a contractor, except where otherwise authorized by applicable law: product preference; limitation on available funds; time constraints which preclude completion of a competitive solicitation process. **In all cases, sole source acquisitions must be justified in sufficient detail to explain the basis for utilizing this acquisition approach.**

## VIII. RESERVATION OF LACAHSA'S RIGHTS

1. LACAHSA may, at its sole discretion, take any of the following actions:

   a. Accept or reject any or all Proposals, if it is in the best interest of LACAHSA;

   b. Elect to make an award to one or more Proposer(s) if indicated in the Competitive Solicitation;

   c. Cancel a Competitive Solicitation, in its entirety;

   d. Enter into negotiations concerning an Agreement with one or more Proposers;

   e. Decline to enter into any such negotiations; or

   f. Terminate negotiations with any Proposer at any time.

2. LACAHSA shall have the right to amend a Competitive Solicitation by written addendum. LACAHSA is responsible only for that which is expressly stated in the Competitive Solicitation document and any authorized written addenda. Should such addendum require additional information not previously requested, failure to address the requirements of such addendum may result in the proposal being found non-responsive and not being considered, as determined in the sole discretion of LACAHSA.

3. LACAHSA may, at its discretion, interview Proposers; or require site inspections, demonstrations, or a pilot of proposed Goods and/or Services.

4. LACAHSA is not responsible for and shall not be bound by any representations, statements, or explanations otherwise made by any

individual acting or purporting to act on its behalf, other than the LACAHSA Officials identified on the Competitive Solicitation document.

5. LACAHSA reserves the right to waive inconsequential disparities in a submitted Proposal.

6. LACAHSA reserves the right to submit supplementary follow-up questions or inquiries to request clarification of information submitted and to request additional information from any one or more of the Proposers.

7. LACAHSA shall not be liable for any costs incurred by any Proposer in connection with the preparation or submission of any Proposal or any action taken by Proposer in its effort to do business with LACAHSA. Any and all such costs whatsoever shall remain the sole responsibility of the Proposer.

8. LACAHSA shall not be liable to any Proposer in law or equity for any reason whatsoever for any acts or omissions arising out of or in conjunction with this Policy.

9. LACAHSA may require Proposers to provide certain performance assurances including but not limited to performance security or payment and performance bonds for information technology Services and/or Goods.

10. Proposers are expected to complete all of their due diligence activities prior to entering into any final contract negotiations with LACAHSA, including a review of LACAHSA's policies, requirements, forms, or other guidance documents that LACAHSA may issue from time to time.

11. Any resultant Agreement made in violation of this Policy may be considered void.

ADOPTED 12/18/2024

**POLICY ON CONFLICTS OF INTEREST, DISCLOSURES, RECUSALS AND DISQUALIFICATIONS IN CONTRACTING & PROCUREMENT PRACTICES**

## I. POLICY

It is the policy of the Los Angeles County Affordable Housing Solutions Agency ("LACAHSA") to promote contracting best practices that facilitate compliance with conflicts of interest, disclosure, recusal and disqualification laws, including avoidance of conflicts pertaining to the acts or omissions of LACAHSA Board members, officers and directors, members of commissions, committees and other related bodies or entities, LACAHSA employees, agents, and certain independent contractors and consultants (collectively and each "LACAHSA Officials"). This is especially important for ensuring that LACAHSA's solicitation and contracting processes are conducted in a legal and ethical manner while aiming to achieve the best outcome for LACAHSA and the public it serves. (Hereinafter, the "Policy".)

Nothing stated in this Policy is intended to be exhaustive of all legal responsibilities and obligations of LACAHSA Officials (including family members and business interests) in relation to conflicts in contracts and governmental decision making. Applicability is fact and circumstance-specific. It is likely that further fact-specific analysis will be needed, and, thus, LACAHSA Officials should seek the advice of counsel for additional details, applicable exceptions and other requirements before participating in any contract discussions and governmental decisions at issue.

## II. PURPOSE

LACAHSA Officials are required to engage in fair and ethical agency practices in public procurement. The intended purpose of this Policy is to safeguard against favoritism, fraud, and corruption and to prevent the misuse of public funds. This Policy aims to promote fair and ethical service to the public purpose, honesty and integrity in government practices and decision making that is merit-based without consideration of private gain.

Public Officials who knowingly fail to follow this Policy may be subject to legal and/or other action.

## III. GENERAL APPLICATION OF THE POLICY

Laws establishing conflict of interest, recusal, disclosure and disqualification requirements in government contracting create the framework for how LACAHSA shall conduct its solicitation, contracting processes and decision making.

In general terms, this means:

- LACAHSA Officials must not participate in the making of contracts in which they are financially interested, unless the financial interest at issue falls under a legally available exception. Failure to do so can void a contract. Recusal alone will not cure this violation. Failure to do so can also result in criminal, civil, and administrative penalties, as well as a ban on holding public office.

- A LACAHSA Official must not knowingly make, participate in making, or attempt to use their official position to influence a LACAHSA decision directly relating to a contract when a party to the contract is a person or entity by whom the LACAHSA Official was employed within the 12 months immediately prior to entering LACAHSA service.

- LACAHSA Officials must not make, participate in making, or attempt to use their official positions to influence LACAHSA decisions in which they know or have reason to know they have a disqualifying financial interest (e.g. gifts, real property interest, business interest, family-member interest, etc.). Recusal from any involvement in the decision-making process will be required.

  - Certain LACAHSA Officials must disclose assets, income, business positions and/or real property that may be materially affected by their official actions. In appropriate circumstances, such LACAHSA Officials are disqualified from acting in order to avoid a conflict of interest.

- Statements of Economic Interest (Form 700). LACAHSA Officials must comply with the LACAHSA Conflict of Interest Code and, where required, timely file a Statement of Economic Interest.

- LACAHSA Officials must comply with this Policy.

- Except as otherwise expressly allowed by applicable law, while engaged in service to LACAHSA, LACAHSA Officials must not serve two masters at the same time and must exercise the powers conferred on them with disinterested skill, zeal, and diligence and primarily for the benefit of the public.

## IV. CONFLICTS IN CONTRACTS – VOID CONTRACTS

LACAHSA Officials are required to avoid conflicts in contracts. Therefore, LACAHSA Officials shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members.

A contract made by a LACASSE Official (the making of a contract), includes not just the signing of the contract, but also the planning, preliminary discussions, compromises, drawing of plans and specifications and solicitation of bids, among other things. By way of example, but not limitation, a decision to modify, extend or renegotiate a contract constitutes involvement in the making of a contract. LACAHSA Officials are deemed to have a financial interest in a contract if they might profit from it in any way. A “financial interest” may be direct or indirect and may include, but is not limited to, financial losses, or the possibility of losses, or the prospect of pecuniary gain. Seek the advise of counsel for additional clarification.

A. Board Members – Presumption of Having Made a Contract

All members of the LACAHSA Board, including alternates (the “Board Members”) are conclusively presumed to be involved in the making of all contracts by LACAHSA regardless of whether a Board Member participates in the making of the contract. When a Board Member has a financial interest in a contract (that is more than a “remote interest” or “noninterest”), then recusal from the vote will not save the contract. A conflict in a contract by any one Board Member is a conflict in the contract for LACAHSA as a whole; thus, the contract will be void.

B. Officers or Employees of Outside Entities – Financial Interest in Contracts

LACAHSA Officials who are officers or employees of outside entities generally have a financial interest in a contract that involves their employer, even where the contract would not result in a change in income or directly involve the officer or employee, because an officer or employee has an overall interest in the financial success of the company and continued employment. Without an applicable legal exception, LACAHSA will not be able to enter into a contract with the outside entity. A government agency salary is not considered a financial interest for these purposes. Another example of a potential exception (a possible remote interest) is outlined below, but a fact-specific analysis will still be needed:

If the outside entity is a qualifying 501(c)(3) nonprofit organization, then the following will be required before LACAHSA can enter into a contract with the outside entity:

1. The LACAHSA Official (who is an officer or employee of the nonprofit) discloses their financial interest to LACAHSA. Where a Board Member is the LACAHSA Official, then the disclosure must be made in public, on the record, at the LACAHSA Board meeting before consideration of the item),

2. Such interest is noted in LACAHSA’s official records, and

3. The LACAHSA Official must abstain from any participation in the making of the contract (including voting to approve the contract or signing the contract). For Board Members, they must leave the Board chambers before any discussion of or involvement in the making of the contract is initiated.

C. Independent Contractor -- Conflicts in Contracts

The prohibition of conflicts in contracts will also apply to any outside advisors or consultants (independent contractors) of LACAHSA where they have responsibilities for public contracting similar to those belonging to other LACAHSA Officials.

The Exception

Where an independent contractor's duties do not include preparing or assisting LACAHSA with the development of solicitation materials for a subsequent contract, (e.g., request for proposals or request for qualifications), then the independent contractor may not have a conflict in that subsequent contract. In order for LACAHSA to be able to enter into the subsequent contract with the independent contractor, the initial contract with the independent contractor must first include the following clause (or substantially similar clause) and said independent contractor must remain in compliance with said clause and contract as a whole:

> Contractor/consultant's duties and services under this agreement shall not include preparing or assisting LACAHSA with any portion of LACAHSA's preparation of a request for proposals, request for qualifications, or any other solicitation regarding a subsequent or additional contract with LACAHSA. LACAHSA shall at all times retain responsibility for public contracting, including with respect to any subsequent phase of this project. Contractor/consultant's participation in the planning, discussions, or drawing of project plans or specifications shall be limited to conceptual, preliminary, or initial plans or specifications. Contractor/consultant shall cooperate with LACAHSA to ensure that all bidders for a subsequent contract on any subsequent phase of this project have access to the same information, including all conceptual, preliminary, or initial plans or specifications prepared by contractor/consultant pursuant to this agreement.

Before any involvement in the making of a contract, a LACAHSA Official who believes or has reason to believe that they may have a conflict of interest in a contract are required to confer with LACAHSA counsel as soon as possible.

## V. OTHER FINANCIAL CONFLICTS – RECUSAL FROM DECISION MAKING AS REMEDY

Other than conflicts in contracts, a LACAHSA Official may have a disqualifying conflict of interest in a governmental decision of LACAHSA if the LACAHSA Official, or the LACAHSA Official's immediate family member, has a financial interest that will have a financial impact or effect that is foreseeable and material. To avoid actual bias or the appearance of possible improprieties, the LACAHSA Official is prohibited from participating in the decision under such circumstances.

Five financial interests where abstention from involvement in decision making is likely:

- **Interest in Business Entity**. A business entity in which the LACAHSA Official has an investment of $2,000 or more in which he or she is a director, officer, partner, trustee, employee, or manager.

- **Interest in Real Property**. Real property in which the LACAHSA Official has an interest of $2,000 or more including leaseholds. (However, month-to-month leases are not considered real property interests.)

- **A Source of Income**. An individual or an entity from whom the LACAHSA Official has received income or promised income aggregating to $500 or more in the previous 12 months, including the official's community property interest in the income of their spouse or registered domestic partner.

- **Receipt of Gifts***. An individual or an entity from whom the LACAHSA Official has received gifts aggregating to $500 or more in the previous 12 months.

- **An Interest due to Personal Finances**. The LACAHSA Official's personal finances including their expenses, income, assets, or liabilities, as well as those of their immediate family.

*What is a Gift? A "gift" is any payment or other benefit that confers a personal benefit for which a LACAHSA Official does not provide payment or services of equal or greater value. A gift includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public. Except where allowed by applicable law, a LACAHSA Official has "received" or "accepted" a gift when they have actual possession of the gift or when they take any action exercising direction or control over the gift, including discarding the gift or turning it over to another person. This includes gifts that are accepted by someone else on the LACAHSA Official's behalf and gifts made to others at the direction of the LACAHSA Official.

A. When Recusal (Abstention) is Required

When a LACAHSA Official has a disqualifying financial interest, the LACAHSA Official shall not make, participate in making, or use their position to influence a governmental decision. Making, participating in making, or using their position to influence a decision includes, but is not limited to, directing a decision, voting, providing information or a recommendation, or contacting or appearing before any other LACAHSA Official. When appearing before any other agency, the LACAHSA Official must not act or purport to act in their official capacity or on behalf of LACAHSA.

For LACAHSA Board Members, they must disqualify from decisions made at a public meeting (including closed session decisions) and must publicly identify a conflict of interest on the record in public at the Board meeting, and must leave the Board chambers before the item is discussed.

While there are limited exceptions that may allow a LACAHSA Official to participate as a member of the public and speak to the press, the exceptions are interpreted narrowly and may require advice from the Fair Political Practices Commission.

LACAHSA Officials are encouraged to confer with LACAHSA legal counsel if there is reason to believe they may have disqualifying financial interest.

## VI. OTHER ETHICAL AND BEST PRACTICES IN GOVERNMENT CONTRACTING

The following are ethical and best practices that should be followed during the public procurement process. There may be legal exceptions that apply to particular circumstances; when in doubt, seek assistance from LACAHSA legal counsel.

### A. Segmenting or Splitting Contracts

Efforts to segment or split a contract (also commonly referred to as "incremental contracting") into two or more contracts for the purpose of circumventing LACAHSA delegated dollar limits or approval processes or other requirements are prohibited. To prevent incremental contracting, contracts for related and interdependent goods or services on a given project must be consolidated whenever feasible.

### B. Awarding Contracts to Unqualified Entities or Individuals

LACAHSA Officials are prohibited from awarding contracts to any entity or individual that does not meet the required solicitation criteria for the award. If no entity or individual meets the required solicitation criteria, the LACAHSA Official must reevaluate the needs and the solicitation process that was conducted and engage in another solicitation process, if appropriate and where authorized, that will result in the award of the contract to a qualified entity or individual.

### C. Circumventing the Solicitation Process

LACAHSA Officials are prohibited from selecting an inappropriate solicitation method (e.g., use of sole source contracting where competitive solicitation is required or more appropriate, as set out in LACAHSA policy or law) in order to circumvent the LACAHSA contracting process, to cut corners, or to award the contract to a particular entity or individual. LACAHSA's approved process for the applicable solicitation must be followed.

### D. LACAHSA Travel Expenses

If a LACAHSA Official has to travel to review and evaluate a prospective or existing bidder's proposal, the bidder on that contract is prohibited from paying the travel expenses of the LACAHSA Official and, if offered, the LACAHSA Official must refuse all such payments.

### E. Prohibition on Supervision

No LACAHSA Official shall negotiate or supervise a contract between LACAHSA and the LACAHSA Official's former private sector employer, or supervise work to be performed by the former private sector employer, within twelve months of leaving that employer. These restrictions do not prevent the LACAHSA Official from providing information to LACAHSA, unless otherwise prohibited.

## F. Former LACAHSA Employees

A former LACAHSA employee is prohibited from engaging in certain activities related to a judicial, quasi-judicial or other legal proceeding if the subject contract of the proceeding is one in which the former employee participated, unless it falls within an exception provided by applicable law.

## G. Accepting Gifts from Contractors

LACAHSA Officials that are involved in the making of a contract, including monitoring the contract, must not accept any gift from prospective contractors and existing contractors under that contract. These gifts include, but are not limited to, tickets to events hosted by the prospective contractor.

## H. Accepting Honoraria from Contractors

Except where expressly authorized by applicable FPPC rules or laws, LACAHSA Officials must not accept honoraria from prospective contractors or existing contractors. “Honorarium” or “honoraria” is any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering. An honorarium includes gift cards or any gift of more than nominal benefit provided in connection with an activity described above. An honorarium does not include items of nominal value such as a pen, pencil, paper note pad or similar item.

A “speech given” means a public address, oration, or other form of oral presentation, including participation in a panel, seminar, or debate.

An “article published” means a nonfictional written work: 1) that is produced in connection with any activity other than the practice of a bona fide business, trade, or profession; and 2) that is published in a periodical, journal, newspaper, newsletter, magazine, pamphlet, or similar publication.

“Attendance” means being present during, making an appearance at, or serving as host or master of ceremonies for any public or private conference, convention, meeting, social event, meal, or like gathering.

## I. Loans from Contractors

LACAHSA Officials must not receive loans from prospective or existing contractors. This limitation does not apply to loans received from banks or other financial institutions, and retail or credit card transactions, made in the normal course of business on terms available to members of the public without regard to the LACAHSA Official’s government status.

J. Contractor Conflicts Verification/Levine Act Compliance

Each applicant/proposer/bidder on a LACAHSA contract will be required to fill out and sign a Levine Act Compliance Form (Attachment 1) and a Statement of Conflict of Interest/Confidentiality (Attachment 2) and submit these forms with their application/proposal/bid package. A failure to submit these forms with the application/proposal/bid package may disqualify them from further consideration.

## VII. EVALUATION TEAM

For competitive solicitations, an Evaluation Team should be used, consisting of at least three to five qualifying individuals some of whom will hold subject matter expertise. Evaluators should be objective, unbiased and conflict free. Subject matter experts who are not on the Evaluation Team may be relied upon for technical questions and development of the solicitation material.

Each Evaluator, in advance of participation in Evaluation Team efforts, will be required to fill out and sign a Conflict of Interest & Confidentiality Statement (Attachment 3), which will be reviewed by LACAHSA legal counsel in advance of their participation in the evaluation process in order to determine if there are any conflicts which would disqualify them from participating on the team.

## VIII. COMPLIANCE WITH POLICY

To ensure compliance with this Policy, if a LACAHSA Official is considering an action,

matter or decision that may raise any issues related to conflict of interest, disclosures, recusal or disqualification, that individual should contact LACAHSA counsel immediately.

Failure to comply with applicable conflict of interest laws or this Policy, may result in the imposition of administrative, civil and/or criminal penalties on the individual or other legal or disciplinary action (as applicable). Also, a contract may be deemed void or voidable and/or a solicitation canceled due to violation of certain applicable laws.

## IX. MANDATORY ETHICS/CONFLICTS TRAINING

All LACAHSA Officials are required to complete ethics training at the time of entering LACAHSA service and once every two years thereafter. The training shall be structured to ensure that participants have sufficient knowledge to comply with applicable and relevant ethics laws governing their service to LACAHSA. Training shall be conducted by LACAHSA legal counsel or as approved by LACAHSA legal counsel.

## X. RECORDKEEPING

Persons subject to this Policy shall keep written records demonstrating their compliance with this Policy, and applicable conflict of interest laws, for four years on a rolling continuous basis.

## XI. SEVERABILITY

The provisions of this Policy are severable. If any provision of this Policy or its application to any person or circumstance is held invalid by a judicial or administrative tribunal, the remaining provisions of this Policy, and the applicability of the particular provision to other persons or circumstances, will not be affected by that judicial or administration determination unless otherwise expressly determined by that judicial or administrative body.

## XII. APPLICABLE LEGAL AUTHORITY

The applicable legal authority for this Policy includes, but is not limited to the following:

- Government Code section 1090 et seq. (Conflicts in Contracts)
- Government Code section 81000 - 91014 (the Political Reform Act of 1974)
- Government Code section 87100 et seq. (Conflicts of Interest)
- Government Code section 84308 (Levine Act)
- Government Code sections 53000 - 55821 (Misc. Powers and Duties of Local Agencies)
- Public Contract Code section 20100 et seq. (Contracting by Local Agencies)
- Fair Political Practices Commission (FPPC) Regulations (2 cCR 18104-18998)

## XIII. RELATED POLICIES

- LACAHSA Conflict of Interest Code
- LACAHSA Bylaws

## XIV. RELATED FORMS AND INFORMATION

- FPPC Training and Outreach: Workshops, Webinars, and Video Tutorials: https://www.fppc.ca.gov/learn/training-and-outreach.html
- Statements of Economic Interest: https://lacform700.lacounty.gov/Login.aspx
- The Levine Act -- Pay-to-Play Limits and Prohibitions (Government Code section 84308): https://www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html
- FPPC Fact Sheets: https://www.fppc.ca.gov/media/factsheets.html
  - FPPC Form 700 Disclosures FAQs (October 2023): https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Form%20700/2023-24/Form_700_FAQs_2023.pdf
  - FPPC Fact Sheet: An Overview of Conflicts of Interest Under the Political Reform Act (May 2022): https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Campaign%20Documents/Conflicts%20Guide%20202 2.pdf
  - FPPC Fact Sheet: Limitations on and Restrictions on
  - Gifts, Honoraria, Travel and Loans (October 2023): https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/gift-fact-sheet/Local_Gift_Fact_Sheet_Final_2023.pdf

- FPPC Fact Sheet: A Quick Guide to Section 1090 (January 2024): https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/section-1090/Section%201090%20-%20Quick%20Guide%20-%20Jan%202024.pdf
- FPPC Fact Sheet: Gift of Travel for a Public Purpose Paid for by a 501(c)(3) or Government Entity (July 2023): https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Campaign%20Documents/Travel%20for%20a%20Public%20Purpose%20Paid%20for%20by%20a%20501(c)(3).pdf
- Form: Levine Act Compliance Form – Prospective Contractors/Consultants/Applicants (Attachment 1)
- Form: Conflict of Interest/Confidentiality Statement – Prospective Contractors/Consultants/Applicants (Attachment 2)
- Form: Evaluation Team Conflict of Interest & Confidentiality Statement (Attachment 3)

## XV. <u>HISTORY</u>

| Date | Creation |
|---|---|
| 5/29/2024 | Policy Adopted by LACAHSA Board. |

**Attachment 1**
**Levine Act Compliance Form (Gov't Code section 84308**
**(Prospective Contractors/Subcontractors/Consultants/Applicants)**

Please submit your response to the questionnaire with your submission package to this solicitation, and also email this completed form to commserv@bos.lacounty.gov. This form must be completed separately by each bidder/proposer/applicant, including each prime contractor and subcontractor.

Pursuant to the Levine Act (Government Code section 84308), a member of the LACAHSA Governing Board, and other LACAHSA employees and/or officers (including contractors serving in this capacity) (each and collectively, the "LACAHSA Officer" or "LACAHSA Officers") are disqualified and not able to participate in a proceeding involving contracts, franchises, licenses, permits and other entitlements for use if the LACAHSA Officer received more than $250 in contributions in the past 12 months from the bidder, proposer or applicant, any paid agent of the bidder, proposer, or applicant, or any financially interested participant who actively supports or opposes a particular decision in the proceeding.

**State law requires you to disclose information about contributions made by you, your company, and lobbyists and agents paid to represent you. Failure to complete the form in its entirety may result in significant delays in the processing of your application/bid/proposal and potential disqualification from the solicitation, procurement or application process.**

**You must fully answer the applicable questions below. You ("Declarant"), or your company, if applicable, including all entities identified below (collectively, "Declarant Company") must also answer the questions below. The term "employee(s)", as used here, is defined as employees, officers, partners, owners, or directors of Declarant Company.**

**An affirmative response to any questions will not automatically cause the disqualification or denial of your bid, proposal or application. However, failure to answer questions completely, in good faith, or providing materially false answers may subject a bidder/proposer/applicant to disqualification from the procurement/solicitation/application process.**

Complete each section below. State "none" if applicable.

A. <u>COMPANY OR APPLICANT INFORMATION</u>

1. Declarant Company or Applicant Name:

   ________________________________________________

   a) If applicable, identify all subcontractors that have been or will be named in your bid or proposal:

b) If applicable, variations and acronyms of Declarant Company's name used within the past 12 months:

c) Identify all entities or individuals who have the authority to make decisions for you or Declarant Company about making contributions to a LACAHSA Officer, regardless of whether you or Declarant Company have actually made a contribution:

**[IF A COMPANY, ANSWER QUESTIONS 2 - 3]**

2. Identify only the parent(s), subsidiaries and related business entities that Declarant Company has controlled or directed, or been controlled or directed by. "Controlled or directed" means shared ownership, 50% or greater ownership, or shared management and control between the entities.

   a) Parent(s):

   b) Subsidiaries:

   c) Related Business Entities:

3. If Declarant Company is a closed corporation (non-public, with under 35 shareholders), identify the majority shareholder.

4. Identify all entities (proprietorships, firms, partnerships, joint ventures, syndicates, business trusts, companies, corporations, limited liability companies, associations, committees, and any other organization or group of persons acting in concert) whose contributions you or Declarant Company have the authority to direct or control.

5. Identify any individuals such as employees, agents, attorneys, law firms, lobbyists, and lobbying firms who are or who will act on behalf of you or Declarant Company and who will receive compensation to communicate with a LACAHSA Officer regarding the award or approval of this contract or project, license, permit, or other entitlement for use.

   (Do not list individuals and/or firms who, as part of their profession, either (1) submit to LACAHSA drawings or submissions of an architectural, engineering, or similar nature, or
   (2) provide purely technical data or analysis, and who will not have any other type of communication with LACAHSA or any LACAHSA employee, officer, or agent.

6. If you or Declarant Company are a 501(c)(3) non-profit organization, identify the compensated officers of your organization and the compensated members of your board.

B. CONTRIBUTIONS

1. Have you or the Declarant Company solicited or directed your employee(s) or agent(s) to make contributions, whether through fundraising events, communications, or any other means, to a LACAHSA Officer in the past 12 months? If so, provide details of each occurrence, including the date.

| Date (contribution solicited, or directed) | Recipient Name (LACAHSA Officer) | Amount |
|---|---|---|
| | | |
| | | |
| | | |

*Please attach an additional page, if necessary.

2. Disclose all contributions made by you or any of the entities and individuals identified in Section A to a LACAHSA Officer in the past 12 months.

| Date (contribution made) | Name (of the contributor) | Recipient Name (LACAHSA Officer) | Amount |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

*Please attach an additional page, if necessary.

C. DECLARATION

By signing this Contribution and Agent Declaration form, you (Declarant), or you and the Declarant Company, if applicable, attest that you have read the entirety of the Contribution Declaration and the statements made herein are true and correct to the best of your knowledge and belief. (Only complete the one section that applies.)

There are ____ additional pages attached to this Contribution Declaration Form.

**COMPANY PROPOSERS, BIDDERS, OR APPLICANTS**

I, ________________________________ (Authorized Representative), on behalf of _______ ________________________________________________ (Declarant Company), at which I am employed as ______________________________ (Title), attest that after having made or caused to be made a reasonably diligent investigation regarding the Declarant Company, the foregoing responses, and the explanation on the attached page(s), if any, are correct to the best of my knowledge and belief. Further, I understand that failure to answer the questions in good faith or providing materially false answers may subject Declarant Company to consequences, including disqualification of its bid/proposal/application or delays in the processing of the requested contract, license, permit, or other entitlement.

**IMPORTANT NOTICE REGARDING FUTURE AGENTS AND FUTURE CONTRIBUTIONS:**

By signing this Contribution and Agent Declaration form, you also agree that, if Declarant Company hires an agent, such as, but not limited to, an attorney or lobbyist during the course of these proceedings and will compensate them for communicating with LACAHSA about this contract, application, project, permit, license, or other entitlement for use, you agree to inform LACAHSA of the identity of the agent or lobbyist and the date of their hire. You also agree to disclose to LACAHSA any future contributions made to members of the LACAHSA Governing Board or any other LACAHSA Officer or employee by the Declarant Company, or, if applicable, any of the Declarant Company's proposed subcontractors, agents, lobbyists, and employees who have communicated or will communicate with LACAHSA about this contract, application, license, permit, or other entitlement after the date of signing this disclosure form, and contract, application, license, permit, or entitlement for use.

| | |
|---|---|
| ______________________ Signature | ______________________ Date |

**INDIVIDUAL BIDDERS OR APPLICANTS**

I, ____________________________________, declare that the foregoing responses and the explanation on the attached sheet(s), if any, are correct to the best of my knowledge and belief. Further, I understand that failure to answer the questions in good faith or providing materially false answers may subject me to consequences, including disqualification of my bid/proposal/application or delays in the processing of the requested license, permit, or other entitlement.

**IMPORTANT NOTICE REGARDING FUTURE AGENTS AND FUTURE CONTRIBUTIONS:**

If I hire an agent or lobbyist during the course of these proceedings and will compensate them for communicating with LACAHSA about this contract, project, application, permit, license, or other entitlement for use, I agree to inform LACAHSA of the identity of the agent or lobbyist and the date of their hire. I also agree to disclose to LACAHSA any future contributions made to members of the LACAHSA Governing Board or any other LACAHSA Officer or employee by me, or an agent such as, but not limited to, a lobbyist or attorney representing me, that are made after the date of signing this disclosure form, and within 12 months following the approval, renewal, or extension of the requested contract, license, permit, or entitlement for use.

____________________________ ____________________________

Signature Date

**Attachment 2**
**Conflict of Interest/Confidentiality Statement**
**(Prospective Contractors/Consultants/Contractors/Applicants)**

**APPLICANT/PROPOSER/BIDDER**
**CONFLICT OF INTEREST AND CONFIDENTIALITY STATEMENT ("STATEMENT")**
**FOR**
**LOS ANGELES COUNTY AFFORDABLE HOUSING SOLUTIONS AGENCY**
**("LACAHSA")**

I certify, represent, warrant and agree that I have no personal or financial interest and no present or past employment, relationship, contract, agency membership, board membership or activity which would be incompatible, or create a conflict of interest, with my application/bid/proposal for, my participation in the interview or screening process for, or my selection as ________________________ for LACAHSA (the "Search Process").

For the duration of my involvement in the Search Process, I agree not to accept or provide any gift, benefit, gratuity, or consideration, or begin a personal or financial interest in any other person or entity who is or may be participating in the Search Process.

I certify that I will keep confidential and secure and will not copy, give, or otherwise disclose to any other party who has not signed a LACAHSA Conflict of Interest and Confidentiality Statement, all information concerning the Search Process which I learn, access or receive in the course of my involvement in the Search Process. I understand that the information to be kept confidential includes, but is not limited to, specifications, administrative requirements, and service agreement terms and conditions, and includes concepts and discussions as well as written or electronic materials. I understand that if I cease participating in the Search Process before it ends, I must still keep all Search Process information confidential. I agree to follow any instructions provided relating to the confidentiality of the Search Process. I further agree that I will strictly abide by the terms of this Conflict of Interest and Confidentiality Statement ("STATEMENT").

A failure to adhere to the terms of this STATEMENT, as determined within the sole discretion of LACAHSA, may be considered a breach of this STATEMENT, and may lead to disqualification from further participation in the Search Process and from further consideration for any contracts or positions under this solicitation.

I acknowledge, accept, and understand that any conflicts of interest that could be or may be perceived to impact my ability to serve as a LACAHSA contractor, consultant, employee and/or agent (as applicable) must be disclosed to LACAHSA as soon as known or reasonably foreseeable, and by no later than the submission of an application/proposal/bid. These disclosures should include, but are not limited to, (i) financial arrangements with, interest(s) with or donations to any members of the LACAHSA Board or any employees or contractors of LACAHSA, (ii) having held or currently holding any LACAHSA Board member or alternate position, or, (iii) having been or currently being a LACAHSA contractor, consultant, donor or service provider, including having been or currently serving as an employee or subcontractor for said contractor, consultant, donor or service provider. For additional information concerning conflicts of interest refer to Fair Political Practices Commission rules and guidance: https://www.fppc.ca.gov/media/factsheets.html

LACAHSA may consider the nature and extent of any actual, potential, perceived, or apparent conflict of interest, including those discovered outside of this solicitation process, as a basis for disqualifying my application/proposal/bid, or as basis for future contract or employment termination. A conflict of interest may cause any agreement or contract to be void and of no force or effect.

I certify, represent, warrant, and agree that all real and perceived conflicts of interest, if any, have been disclosed, in writing, to LACAHSA and submitted with this STATEMENT:

I hereby affirm that (CHECK ONE):

☐ All statements and disclosures above have been read, and I have determined, based on a reasonable inquiry into all facts and circumstances, that I do not have any conflicts of interests (real or perceived) to disclose.

☐ A suspected or potential conflict of interest does exist, and additional information is attached along with a plan to address the possible conflict of interest.

I declare under penalty of perjury, under the laws of the State of California, that all statements and disclosures in this STATEMENT and responses are true and correct, with full knowledge that all disclosures and statements are subject to investigation and that any incomplete, unclear, false, or dishonest response may be grounds for rejection of my application/proposal/bid, as well as additional legal consequences.

________________________________________
APPLICANT/PROPOSER/BIDDER NAME AND ADDRESS

________________________________________
APPLICANT/PROPOSER/BIDDER SIGNATURE

________________________________________
APPLICANT/PROPOSER/BIDDER CURRENT TITLE

________________________________________
DATE OF SIGNATURE

**Attachment 3**
**Evaluation Team Member Declaration**
**Conflict of Interest & Confidentiality Statement**

Evaluation Team for:________________________________________________

I certify that, with respect to the above named solicitation, evaluation, selection and contracting process (the "Selection Process"), neither I nor any company or organization (other than another governmental body to which I have been elected or appointed) with whom I am affiliated has any financial or other interest in any applicant/proposer/bidder, in violation of any provision of the Political Reform Act (Government Code section 81000 et seq. (including but not limited to sections 82028, 84308, 87103, and 89503)), Government Code section 1090 or Government Code section 1126, and I acknowledge that any such interest would be incompatible with my participation in the Selection Process. For the duration of my involvement in this Selection Process, I agree to immediately report and disclose to LACAHSA legal counsel my (and my affiliated organization's/company's, if any) acceptance of any gift, benefit, gratuity or consideration, or the existence of a financial interest in any person or entity submitting or intending to submit an application/proposal/bid. As a member of the Evaluation Team, I am able to give full, fair, conflict free and impartial consideration to all application/proposal/bid submissions. **To avoid the perception of a potential conflict, I further disclose the following relationships or interests, none of which are believed to be inconsistent with the above certification ( state " N / A " if none):**

| Name | Description |
|---|---|
| | |
| | |

I certify that I will keep confidential and secure and will not copy, give or otherwise disclose to any other party outside the Selection Process who has not signed a copy of this confidentiality agreement, all information concerning the specifications, requirements, and evaluation process for this selection, which I learn in the course of my duties as a member of the Evaluation Team and that has not otherwise been made available to the public or is not otherwise releasable pursuant to applicable law. I understand that if I leave the Evaluation Team before the Selection Process ends, I must still keep all information confidential, except as otherwise required by applicable law (including the California Public Records Act).

Signature: __________________________________ Date: ________________
Name/Title: __________________________________
Telephone No.: _______________________________
Email Address: ______________________________

**LOS ANGELES COUNTY AFFORDABLE HOUSING SOLUTIONS AGENCY**
**STATEMENT OF INVESTMENT POLICY**

## 1. PURPOSE

This Statement of Investment Policy ("Policy") is intended to: (a) describe the policies and procedures utilized by the Los Angeles County Affordable Housing Solutions Agency ("Agency" or "LACAHSA") investment management system; (b) put in place guidelines for the prudent investment of the Agency's funds; and (c) list and describe suitable investments.

The Agency shall invest public funds in such a manner as to comply with state and local laws; ensure prudent money management; provide for daily cash flow requirements; and meet the objectives of the Policy, in priority order of safety, liquidity and return on investment. This investment policy applies to all investment activities and financial assets of the Agency. The funds covered by this policy are accounted for and will be incorporated in the Annual Comprehensive Financial Report (ACFR) and will include all Measure A revenues, and any other revenues, that are held by the Agency but not immediately expended or passed through to an eligible jurisdiction.

This policy applies to the investment of surplus funds and not to expenditures of Agency funds to further the Agency's mission and purpose, regardless of whether such expenditures are referred to as "investments".

## 2. SCOPE

This Policy applies to all monies belonging to the Agency and proceeds from bonds or notes issued by the Agency. Bond proceeds and any funds associated with bond issues and other monies arising from bond indebtedness will further restricted by the pertinent bond indenture or other relevant transactional documents. The Agency will comply with all applicable sections of the Internal Revenue Code of 1986, Arbitrage Rebate Regulations, and bond covenants with regards to the investment of bond proceeds.

## 3. DELEGATION OF AUTHORITY

In accordance with state law (California Government Code Section 53607) and under the authority granted by the governing board of LACAHSA ("Board"), the Agency's Treasurer and Deputy Agency Treasurer(s) are authorized to invest the unexpended cash in the Agency treasury. The responsibility for the day-to-day investment of the Agency's funds is delegated to the Chief Financial Officer ("CFO") as Treasurer. In the absence of the Chief Financial Officer, the Chief Executive Officer ("CEO") shall serve as Treasurer and the Deputy Agency Treasurer – the Controller – will be responsible for the day-to-day investment function. The Agency may engage the services of one or more external investment advisers (who are registered under the Investment Advisers Act of 1940) to assist in the management of the Agency's investment portfolio in a manner consistent with the Agency's objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this Policy.

## 4. PRUDENCE

Investments shall be made with judgment and care under circumstances then prevailing (which persons of prudence, discretion, and intelligence exercise in the management of their own affairs; not for speculation, but for investment), considering the probable safety of the Agency's capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers (acting in accordance with written procedures and 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.

## 5. INVESTMENT OBJECTIVES

(a) Safety of Principal

Safety of principal is the foremost objective of the investment policies and practices of the Agency. Investment decisions shall seek to minimize net capital losses on a portfolio basis. This Policy recognizes that market conditions may warrant the sale of individual securities incurring losses in order to protect against further and more substantial capital losses. The intent of this Policy is to ensure that capital losses are minimized on a portfolio level rather than on each transaction. The Agency shall seek to preserve principal by mitigating credit risk and market risk.

(b) Liquidity

The Agency's fund will be structured to ensure that the projected expenditure requirements of the Agency for the next six (6) months can be met with a combination of anticipated revenues, maturing securities, principal and interest payments, and liquid instruments as required by California Government Code Section 53646. In particular, LACAHSA funds that may be expended in furtherance of LACAHSA's mission will not be held in illiquid funds that prevent their timely deployment.

(c) Performance Measurement (Yield)

The performance of the Agency's investment portfolio will be measured on a total return basis. The Agency's investment portfolio shall have the objective of attaining a comparative performance measurement or an acceptable rate of return throughout budgetary and economic cycles. These measurements should be commensurate with the investment risk constraints identified in the Investment Policy and the cash flow characteristics of the portfolio.

## 6. ETHICS AND CONFLICTS OF INTEREST

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. Thus, employees and officials involved in the investment process shall refrain from personal business activity that could create a conflict of interest or the appearance of a conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Investment officials must provide a public disclosure document in accordance with the Political Reform Act or when material interest in financial institutions or personal investment positions require it. Disclosures outside of the annual reporting requirement shall be made to the investment official's immediate supervisor, the General Counsel and the Inspector General. Investment officials shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the Agency.

## 7. INTERNAL CONTROLS

The Agency Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Periodically (as deemed appropriate by the Agency) an independent analysis by an external auditor shall be conducted to review internal controls, account activity, and compliance with policies and procedures.

## 8. SAFEKEEPING OF SECURITIES

All securities owned by the Agency (including collateral for repurchase agreements) shall be held in safekeeping by the Agency's custodial bank or a third-party bank trust department acting as agent for the Agency under terms of a custody or trustee agreement executed by the bank and the Agency (with the exception of insured Certificates of Deposit ("CD"), the Local Agency Investment Fund of the State of California, County Treasury and Joint Powers Authority Pool). All securities will be received and delivered using standard delivery versus payment ("DVP") procedures and in accordance with State Code.

## 9. REPORTING

The Agency Treasurer is required to submit an investment report on a quarterly basis to the CEO, the Controller, and the Board in accordance with California Government Code Section 53646. The report is required to be submitted within thirty (30) days of the end of the quarter. This report will include the following information:

- Type of investment instrument (i.e., Treasury Bill CD)
- Issuer name (i.e., U.S. Treasury Note)
- Purchase date (trade and settlement date)
- Maturity date
- Par value
- Purchase price
- Current market value and source of valuation
- Overall portfolio yield based on cost
- Statement of compliance of the portfolio to the investment policy or an explanation of the manner in which the portfolio is not in compliance
- Description of any of the Agency’s funds that are under the management of contracted parties
- Statement denoting the ability of the Agency to meet its expenditure requirements for the next six (6) months, or an explanation as to why sufficient money may not be available

## 10. QUALIFIED DEALERS

The Chief Financial Officer or designee shall maintain a list of financial institutions qualified to do business with the Agency. Banks and broker/dealers will be selected on the basis of creditworthiness, experience, and capitalization. In accordance with California Government Code Section 53601, a bank or broker/dealer must be qualified as a dealer regularly reporting to the New York Federal Reserve Bank (“Primary Dealer”) to conduct repurchase agreements with the Agency.

Selection of financial institutions and broker/dealers authorized to engage in transactions will be at the sole discretion of the Agency, except where the Agency utilizes an external investment adviser in which case the Agency may rely on the adviser for selection.

Selection of broker/dealers used by an external investment adviser retained by the Agency will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

## 11. PURCHASE AND SALE OF SECURITIES

Unless the services of an external investment adviser are used, purchases and sales of securities will be executed only by the Chief Financial Officer and in their absence the Deputy Agency Treasurer. All transactions will be reviewed and approved by the Agency Treasurer or their designee.

## 12. POLICY REVIEW

The Agency Treasurer shall annually render to the Board an investment policy statement, which shall be considered at a public meeting. Any changes in the policy shall also be considered by the Board at a public meeting.

## 13. DIVERSIFICATION

The Agency will diversify use of investment instructions to avoid unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. Market price volatility shall be controlled through maturity diversification as well as ensuring adequate liquidity is available to meet cash flow requirements, thereby precluding the need to sell instruments at a market loss. This provision shall not preclude the use of authorized diversified funds, such as the LAIF or the County Treasury.

## 14. MAXIMUM MATURITIES

In accordance to California Government Code Section 53601, the Agency will not invest in any securities maturing more than five (5) years from the settlement date of purchase. If there is a desire to make investments longer than five (5) years, express authority to make those investments (either specifically or as part of an investment program) must be approved by the Board no less than three (3) months prior to the investment.

## 15. TABLE OF AUTHORIZED INVESTMENTS AND NOTES

The authorized investments are set forth in the Table of Authorized Investments, which is Figure 1 at the end of this Policy. Figure 1 also contains a Table of Notes for the authorized investments.

## 16. DUE DILIGENCE FOR MUTUAL FUNDS

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. Best efforts will be made to acquire the following information: (1) a description of eligible investment securities, and a written statement of investment policy and objectives; (2) a description of interest calculations and how it is distributed, and how gains and losses are treated; (3) a description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited; (4) a description of who may invest in the program, how often, what size deposit and withdrawal are allowed; (5) a schedule for receiving statements and portfolio listings; (6) whether reserves, retained earnings, etc. are utilized by the pool/fund; (7) a fee schedule, and when and how is it assessed; and (8) whether the pool/fund is eligible for bond proceeds and/or will it accept such proceeds.

## 17. COLLATERALIZATION

Collateralization will be required on two types of investments: certificates of deposit and repurchase (and reverse repurchase) agreements. To anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value for Certificate of Deposits and 102% for reverse repurchase agreements of principal and accrued interest. Collateral will always be held by an independent third party with whom the Agency has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.

## 18. GLOSSARY

**Agencies**: Federal agency securities and/or Government Sponsored Enterprises (GSE) which include Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Farm Credit Bank (FFCB), and Federal Agricultural Mortgage Association (Farmer Mac).

**Annual Comprehensive Financial Report (ACFR)**: The official annual report of the (entity). It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

**Bankers' Acceptance (BA)**: A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Benchmark**: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

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

**California Debt and Investment Advisory Commission ("CDIAC")**: CDIAC provides information, education, and technical assistance on debt issuance and public fund investments to local public agencies and other public finance professionals. CDIAC was created in 1981 with the passage of Chapter 1088, Statutes of 1981 (Assembly Bill ("AB") 1192). This legislation established the California Debt Advisory Commission as the State's clearinghouse for public debt issuance information and required it to assist state and local agencies with the monitoring, issuance, and management of public debt.

**Certificate Of Deposit (CD)**: A time deposit with a specific maturity evidenced by a Certificate. Large denomination CD's are typically negotiable.

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

**County Treasury**: The Pooled Surplus Investment portfolio maintained by the County Treasurer of the County of Los Angeles.

**Coupon**: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**Credit Risk**: The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

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

**Debenture**: A bond secured only by the general credit of the issuer.

**Delivery Versus Payment**: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**Diversification**: Dividing investment funds among a variety of securities offering independent returns.

**Duration**: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

**Federal Deposit Insurance Corporation (FDIC)**: A federal agency that insures bank deposits, currently up to $250,000 per entity.

**Liquidity**: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**Local Agency Investment Fund ("LAIF")**: A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

**Local Government Investment Pool (LGIP)**: The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

**Market Risk**: The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

**Market Value**: The price at which a security is trading and could presumably be purchased or sold.

**Master Repurchase Agreement**: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

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

**Medium Term Notes**: Corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

**Money Market**: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**Money Market Mutual Fund**: A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at one dollar ($1) per share.

**Mutual Fund**: An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

**Portfolio**: Collection of securities held by an investor.

**Primary Dealer**: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

**Prudent Person Rule**: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**Rate Of Return**: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

**Repurchase Agreement (Repo)**: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

**Reverse Repurchase Agreement (Reverse Repo)**: A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

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

**Secondary Market**: A market made for the purchase and sale of outstanding issues following the initial distribution.

**Securities & Exchange Commission**: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SEC Rule 15c3-1**: See Uniform Net Capital Rule.

**Supranationals**: A supranational organization is formed by a group of countries through an international treaty with specific objectives such as promoting economic development. Supranational organizations also issue debt in the United States. The most commonly recognized supranational debt is the International Bank for Reconstruction and Development (IBRD or World Bank), International Finance Corporation (IFC) and Inter-American Development Bank (IADB).

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

**Treasury Bonds**: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**Treasury Notes**: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

**Yield**: The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security. (b) Net Yield or Yield To Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

# FIGURE 1
# TABLE OF AUTHORIZED INVESTMENTS

| INVESTMENT TYPE | MAXIMUM REMAINING MATURITY[C] | MAXIMUM SPECIFIED % OF PORTFOLIO[D] | MINIMUM QUALITY REQUIREMENTS | GOVERNMENT CODE SECTIONS |
|---|---|---|---|---|
| Local Agency Bonds | 5 years | None | None | 53601(a) |
| U.S. Treasury Obligations | 5 years | None | None | 53601(b) |
| State Obligations: CA and Others | 5 years | None | None | 53601(c)<br>53601(d) |
| CA Local Agency Obligations | 5 years | None | None | 53601(e) |
| U.S. Agency Obligations | 5 years | None | None | 53601(f) |
| Bankers' Acceptances | 180 days | 40%[E] | None | 53601(g) |
| Commercial Paper: Non-pooled Funds[F] (under $100,000,000 of investments) | 270 days or less | 25% of the agency's money[G] | Highest letter and number rating by an NRSRO[H] | 53601(h)(2)(C) |
| Commercial Paper: Non-pooled Funds (min. $100,000,000 of investments) | 270 days or less | 40% of the agency's money[G] | Highest letter and number rating by an NRSROH | 53601(h)(2)(C) |
| Commercial Paper: Pooled Funds[I] | 270 days or less | 40% of the agency's money[G] | Highest letter and number rating by an NRSRO[H] | 53635(a)(1) |
| Negotiable Certificates of Deposit | 5 years | 30%[J] | None | 53601(i) |
| Non-negotiable Certificates of Deposit | 5 years | None | None | 53630 et seq. |
| Placement Service Deposits | 5 years | 50% | None | 53601.8 and 53635.8 |
| Placement Service Certificates of Deposit | 5 years | 50% | None | 53601.8 and 53635.8 |
| Repurchase Agreements | 1 year | None | None | 53601(j) |
| Reverse Repurchase Agreements and Securities Lending Agreements | 92 days[L] | 20% of the base value of the portfolio | None[M] | 53601(j) |
| Medium-term Notes[N] | 5 years or less | 30%[G] | "A" rating category or its equivalent or better | 53601(k) |
| Mutual Funds and Money Market Mutual Funds | N/A | 20%[O] | Multiple[P,Q] | 53601(l) and 53601.6(b) |
| Collateralized Bank Deposits | 5 years | None | None | 53630 et seq. and 53601(n) |
| Mortgage Pass–through and Asset Backed Securities | 5 years or less | 20% | "AA" rating category or its equivalent or better | 53601(o) |
| County Pooled Investment Funds | N/A | None | None | 27133 |
| Joint Powers Authority Pool | N/A | None | Multiple | 53601(p) |
| Local Agency Investment Fund (LAIF) | N/A | None | None | 16429.1 |
| Voluntary Investment Program Fund | N/A | None | None | 16340 |
| Supranational Obligations | 5 years or less | 30% | "AA" rating category or its equivalent or better | 53601(q) |
| Public Bank Obligations | 5 years | None | None | 53601(r), 53635(c) and 57603 |

## TABLE OF NOTES FOR FIGURE 1

A Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, 53635.8, and 57603.

B Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.

C Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year remaining maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.

D Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.

E No more than 30 percent of the agency's money may be in bankers' acceptances of any one commercial bank.

F Includes agencies defined as a city, a district, or other local agency that do not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body.

G Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper and medium-term notes of any single issuer.

H Issuing corporation must be organized and operating within the U.S., have assets in excess of $500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating organization.

I Includes agencies defined as a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in Section 53601(h)(2)(C).

J No more than 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).

K Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2031, the maximum percentage of the portfolio reverts back to 30 percent. Investments made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.

L Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.

M Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.

N "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States."

O No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.

P A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of $500 million, and has at least five years' experience investing in instruments authorized by Sections 53601 and 53635.

Q A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of $500 million.

R Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.

S A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of $500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).

T Local entities can deposit between $200 million and $10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.

U Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.

# LOS ANGELES COUNTY AFFORDABLE HOUSING SOLUTIONS AGENCY
# LOCAL DEBT POLICY

## SECTION I: OVERVIEW OF LOCAL DEBT POLICY

### Purpose & Background

***General***. The purpose of this Local Debt Policy (this "**Debt Policy**") is to establish written guidelines governing the issuance of indebtedness by, on behalf of, or for the benefit of the Los Angeles County Affordable Housing Solutions Agency (the "**Agency**") and, particularly, its allocation and deployment of capital and generated fees or income in the form of grants, loans, equity, interest rate subsidies, and other financing tools including, without limitation, financial support and payment obligations undertaken by the Agency relating to Affordable Housing Production, Preservation and Ownership projects and/or programs consistent with the terms of this Debt Policy. For purposes of this Debt Policy, the term "**debt**" shall include Agency liabilities and obligations and their related annual costs (direct or conduit obligations) supported by Measure A Project Receipts (as defined below) in such form of Agency allocation and deployment of capital and generated fees or income described above and in the Act. Debt as the term is used in this Debt Policy may include senior and subordinate obligations, as described herein, to provide the most beneficial use of the Measure A Project Receipts. This Debt Policy is intended to provide a compliant framework for the Agency's financial management with respect to debt (as defined herein) in the expenditure, loan and grant of taxes distributed to the Agency, and capital planning, expenditure, and post-issuance debt administration by the Agency.

The Agency is a special-purpose regional entity created by Senate Bill 679, codified as the Los Angeles County Regional Housing Finance Act (the "**Act**") at Title 6.9 of California Government Code, Section 64700 et seq., duly organized and existing under and by virtue of the Constitution and laws of the State of California.

The Agency's current principal source of revenues is as a "Funding Recipient" as defined and provided in that Affordable Housing, Homelessness Solutions, and Prevention Now Transactions and Use Tax Ordinance approved as a citizen's initiative by a majority of electors voting on the measure in the November 5, 2024 election, as supplemented and amended (the "**Measure A Ordinance**") providing for the imposition of a special transactions and use tax ("**Measure A**") in the incorporated and unincorporated territory of the County of Los Angeles (the "**County**"). The Agency has accepted and hereby accepts the Measure A Ordinance's conditions on the distribution of funds to the Agency under the Measure A Ordinance funding, including but not limited to its reporting, data sharing, evaluation, oversight, and audit requirements. Obligations undertaken by the Agency relating to Affordable Housing Production, Preservation and Ownership projects and/or programs consistent with the terms of the Act, the Measure A Ordinance, and this Debt Policy.

***Objectives***. This Debt Policy has been developed to meet the following objectives:

- Identifying the purpose of the debt issuance and the use of proceeds;

- Identifying the types of debt that may employed and obligations issued;
- Ensure the debt is consistent with the public policy objectives of the Agency, as determined by the Board; and
- Implementing and maintaining a system of internal controls to ensure that debt proceeds will be directed to the intended use in accordance with all applicable statutory and policy requirements.

This Debt Policy is designed to inform decision making and provide transparency to the Agency's financial market participants and the general public. This Debt Policy confirms the commitment of the Board of Directors, management, staff and other decision makers to adhere to sound financial management practices, including, but not limited to:

- Effectively managing and mitigating financial risk
- Preserving future program flexibility
- Maintaining strong credit ratings and good investor relations
- Maintaining ready and cost-effective access to the capital markets

Subject to Board approval of any debt transaction, this Debt Policy allows for exceptions when changes in the capital markets, Agency programs, County directives or other unforeseen circumstances produce situations that require Agency debt that is not covered by or deviates from this Debt Policy. This Debt Policy is subject to periodic review and update by the Chief Executive Officer ("CEO") and the Board, subject to approval by the Board, either as the result of material changes in market conditions, best practices, or if any legal and/or regulatory requirements warrant such an update.

***Measure A Project Receipts***. The Agency is the designated recipient of 35.75% of the revenue raised by Measure A, subject to adjustment only as provided in the Measure A Ordinance. For purposes of this Debt Policy, the principal revenue subject to these financial policies and controls is the Agency's allocation under subparagraph B.4 of Section 3 of the Measure A Ordinance (the "**Measure A Project Receipts**") as further described below.

As provided in Section 29 of the Measure A Ordinance, the Agency shall use 60% of the Measure A Project Receipts for affordable housing creation, preservation, and ownership, as defined in subdivision (d)(1) of section 64830 of the Act ("**Affordable Housing Production, Preservation and Ownership**"). Of this amount, the Measure A Ordinance requires the Agency to use 77.25% for construction of new affordable housing. (See also Appendix A hereto containing (§§ 64830 to 64832 of the Act.) Further, the Agency will require that at least 80% of housing units produced using Measure A Project Receipts be built subject to a project labor agreement pursuant to section 28 of the Measure A Ordinance. After the initial 10 years of Measure A Project Receipts, at least 40% (as opposed to 60%) must be used for affordable housing creation, preservation and ownership consistent with the minimums in section 64830 of the Act. (See also Appendix

B hereto containing certain funding and accountability requirements with respect to the Agency in Sections 4 and 5 of the Measure A Ordinance.)

**Policy Statements**

***Allocation of Measure A Project Receipts***. As provided in Measure A, the Agency shall spend funds allocated to it on programs consistent with the Act, including but not limited to:

1. The construction of new affordable housing;

2. Affordable housing preservation;

3. Tenant protection and support programs;

4. Planning and technical assistance related to affordable housing and land use, including but not limited to supporting innovative solutions to reduce barriers to affordable housing and to accelerate its production and preservation; and

5. Other purposes as outlined in the Agency's annual expenditure plan.

Funds allocated to the Agency for Affordable Housing Production, Preservation and Ownership shall be subject to all of the requirements and restrictions in the Act on the same terms as revenue generated pursuant to Chapter 2 of Part 2 therein (see Appendix A hereto containing (§§ 64830 to 64832 of the Act). Expenditures shall be detailed in an annual expenditure plan to be developed by Agency staff, with a vote to approve by the Citizens' Oversight Committee (the "**COC**"), and then adopted by the Board (§ 64717(c) of the Act) (as applicable, the "**Expenditure Plan**"). Agency expenditures shall not include costs to perform or undertake any functions related to supports and services provided to people experiencing homelessness. Proceeds from the tax imposed by the Measure A Ordinance may not be used to fund investigations or prosecutions to achieve criminal, civil, or administrative penalties against people experiencing homelessness or other low-income people.

This Debt Policy is intended to provide procedures and policies in furtherance of the above-referenced intentions for the Agency. As provided in the Act, the Agency may supplement resources and provide technical assistance at a regional scale, including:

1. Generating new dedicated regional funding for critical capital and other supports for affordable housing developments across Los Angeles County.

2. Providing staff support to local jurisdictions that require capacity or technical assistance to expedite the preservation and production of housing.

3. Funding renter programs and services, such as emergency rental assistance and access to counsel.

4. Assembling parcels, acquiring land, and supporting community land trusts for the purpose of building affordable housing.

5. Monitoring and reporting on progress at a regional scale.

***Reduce the Total Cost of Development***. In the immediate term, the Agency's goal with respect to housing development to reduce the total cost of development per unit by the following efforts:

- Bond financing backed by sales tax revenues
- Municipal bond rated debt
- Ability to leverage private funds

***Allocation and Deployment of Capital***. Agency liabilities and obligations and their related annual costs are important long-term obligations that must be managed within approved annual expenditures and available resources. A disciplined thoughtful approach to liabilities and obligations management includes policies that provide guidelines for the Agency to manage its liabilities and obligations program in line with those resources. Therefore, the objective of this Debt Policy, is to provide written guidelines and restrictions concerning the amount and type of Agency debt liabilities and obligations and the ongoing management of the liabilities and obligations portfolio.

***Review of and Exceptions to Debt Policy***. This Debt Policy will be reviewed and either affirmed as it is, or modified at the direction of Agency management every two years or more often if required. The Agency maintains the right to modify this Debt Policy and may make exceptions to any of its guidelines at any time to the extent that the execution of such debt achieves the goals of the Agency, as long as such exceptions or changes are consistent with the Act and any rules and regulations promulgated by the State of California. The Chief Executive Officer and Chief Financial Officer are responsible for ensuring substantial compliance with this Debt Policy.

## SECTION II: POLICY OBJECTIVES RELATED TO DEBT MANAGEMENT

The Agency shall pursue the following goals related to Agency debt:

1. The Agency shall endeavor to attain and/or assist efforts to attain the best possible credit rating and lowest possible interest cost for each debt financing, within the context of the Agency preserving its financial flexibility and meeting current and future funding requirements.

2. The Agency shall consider market conditions and current and projected cash flows when determining the timing and structure of debt financings.

3. The Agency shall endeavor to align the term of a debt financing with the estimated useful life of the capital assets subject to the debt financing and allocate the debt service cost to match the long-term benefits provided by such capital assets.

4. The Agency shall, when planning for the sizing and timing of debt obligations and liabilities, consider its ability to expend the funds obtained in a timely, efficient and economical manner.

5. The Agency will strive for effective working relationships with the credit rating agencies, bond investors and other municipal market participants.

6. The Agency will maintain a policy of full and open disclosure in conjunction with all debt financing transactions.

7. The Agency shall continuously review its outstanding debt obligations for economic or cost-effective refunding opportunities and make a determination on a timely basis as to whether to proceed with a transaction to refinance outstanding debt.

**SECTION III: TYPES AND PURPOSES OF DEBT**

For purposes of this Debt Policy, long-term debt obligations have a final maturity longer than one year, and short-term debt obligations have a final maturity of one year or less.

*Short-Term Debt*. The Agency may consider the viability of short-term debt to provide interim financing for capital projects. Interim financings are accomplished through the issuance of commercial paper notes, bond anticipation notes, lines of credit or other notes or bank products, which may be supported by Measure A revenues or other Agency revenues.

*Conduit Debt*. Upon the recommendation of the CEO, the Board may consider conduit financings, under the Marks-Roos Local Bond Pooling Act of 1985 or in partnership with a state issuing agency, on its behalf or together with other local agencies or private entities. The CEO will evaluate such conduit financings to determine if the transaction complies with the Act, the Measure A Ordinance and the Board's strategic plan objectives.

*Refunding Debt*. The Agency shall continuously review its outstanding obligations for economic or cost-effective refinancing or refunding opportunities. Absent any significant non-economic factors, a refunding should produce minimum net debt service savings (net of debt service reserve fund earnings and other offsets, and taking transaction costs of issuance into account) of at least 3.0% of the par value of the refunded bonds on a net present value basis, using the refunding issue's True Interest Cost (TIC) as the discount rate, unless the CEO or CFO determines that a lower savings percentage is acceptable for issues or maturities with short final maturity dates. Additionally, the CEO or CFO may determine that there are other, compelling "non-economic" reasons (i.e., removal of onerous covenants, terms or conditions) to pursue and complete a refunding.

Subject to the terms of this Debt Policy, the Act and the Measure A Ordinance, the Agency may utilize proceeds from debt obligations for a variety of purposes relating to Affordable Housing Production, Preservation and Ownership projects and/or programs, including, but not limited to, the following:

| Direct Project Investments | Impact Fund | Rent and Operating Subsidies | Agency Mortgage | Ownership Products |
|---|---|---|---|---|
| Residual Receipts Loans | Predevelopment/Acquisition Strike Loan | Shallow Rental Subsidies | Direct Housing Acquisition, Financing | Limited or Shared Equity |
| Limited Cashflow Loan | | Operating Subsidies | Housing Acquisition, Ownership Programs | Cooperatives Investment |
| Hard Pay Subordinate Loan | | | | Interest Rate Subsidy |
| Non-Profit Equity Fund | | | | Soft Second Mortgages |
| Preferred Equity | | | | Foreclosure Assistance |

Some of these may be implemented by the deployment of Agency capital (Measure A Project Receipts) through revenue exchange agreements or similar agreements between the Agency and the issuer or non-profit obligor in support of a bond financing or project.

1. Liabilities and obligations will be considered to finance such projects if it meets one or more of the following criteria:

(a) It meets the Agency's goal of distributing the payments for the asset over its useful life so that benefits more closely match costs for both current and future residents.

(b) The need for the project is compelling in terms of the time-value of money and/or the size of the project makes funding out of existing resources or near-term revenues is impractical.

(c) All other financing alternatives, including pay-as-you-go funding, proceeds derived from development or redevelopment of existing land and capital assets owned by the Agency, and use of existing or future cash reserves, or combinations thereof, have been evaluated and considered.

2. Agency management will provide an overview of the current capital position of the Agency, outline the current and future requirements of the Agency under the current capital position, and establish general criteria for meeting the policies established herein.

3. Agency management will update the capital position on an ongoing basis to reflect changes in the Agency capital position, changes in general capital markets, and transactions executed.

4. The Agency will utilize the lowest cost of capital available for capital projects within the constraints of currently available alternatives and appropriate credit standing. This implies maximizing the use of tax-exempt debt whenever possible, avoiding the use of taxable debt whenever possible, and preserving cash. Agency management will actively manage all debt, related interest rate swaps and derivative agreements, and will

pursue potential transactions to the extent such transactions meet the stated goals and objectives of Agency policies. In the event that the Agency enters into a derivative product, the Agency will adopt a separate derivatives policy.

5. To promote demand for public debt offerings issued on behalf of, or for the benefit of, the Agency by creating a positive long-term relationship with current bondholders, Agency management will strive to satisfy the specific disclosure and informational needs, requirements, and requests of individual bondholders. Any specific dissemination of information to an individual bondholder must be permissible under law, routinely provided to bondholders under common business practices, and within the limits of reasonable business practices (exceptions must be approved by counsel familiar with disclosure laws and regulations).

**SECTION IV: TERM AND STRUCTURE OF DEBT AND RELATED AGENCY SUPPORT PAYMENTS**

Term of Debt. Debt will typically be structured for the shortest period possible, consistent with a fair allocation of costs to current and future users. The term of the debt should not exceed the estimated useful life of the asset being financed.

Lien Levels. Senior and subordinate liens may be utilized in a manner that will maximize the most critical constraint – typically either cost or capacity – thus allowing for the most beneficial use of the Measure A Project Receipts.

Debt Repayment Structure. The Agency will examine debt service structures in the context of program needs. Combined principal and interest payments for any particular Agency debt obligation will first be examined as a level payment structure. Deferred principal can create increased program and project delivery capacity and may also be examined. Agency debt liabilities and obligations with respect to a debt service structure will generally be sized within conservative revenue constraints and with the objective of maintaining strong credit ratings and optimizing project delivery. The CEO or CFO will recommend debt service structures in consideration of the Agency's overall financial objectives.

Additional Debt Test. Any new Agency senior lien debt liability must not cause the Agency's aggregate annual senior lien payment obligation to exceed the level at which prior year designated revenues are less than [_] times the maximum annual principal and interest for the aggregate outstanding senior lien payment obligation, including the new senior lien debt liability. Any new subordinate lien debt liability must not cause the Agency's aggregate annual payment obligation to exceed the level at which prior year designated revenues are less than [____] times the maximum annual principal and interest for the aggregate outstanding senior lien and subordinate lien liabilities, including the including the new subordinate lien debt liability.

Credit Enhancement. The Agency will consider the cost and benefit of credit enhancement strategies on a case-by-case basis for each separate financing supported by Measure A Project Receipts , including the evaluation of bond insurance and letters of credit. The predominant determination for bond insurance for an offering in whole or in part shall be based on such insurance being less costly than the present value of the difference in the interest expense on insured bonds versus uninsured bonds. The Agency will have the authority to enter into a letter of credit agreement deemed compliant with this Debt Policy, prudent and advantageous. The long-term and short-term credit ratings of those financial institutions offering letters of credit will be a critical consideration before procuring any letter of credit. The CEO or CFO will recommend the use of credit enhancement if it reduces the overall cost of the proposed financing or if the use of such credit enhancement furthers the Agency's overall financial objectives.

Real Property Security. The CEO or CFO may on a case-by-case basis recommend that the Agency require real property security for any financing receiving the benefit of Agency debt, in the form of a deed of trust, leasehold deed of trust or subordinate position on such security as may be determined and approved by the Board.

Revenue Exchange and Support for Developer Conduit Bonds. In support of eligible projects and related indebtedness otherwise payable from dedicated project revenues, the Agency may provide by an exchange of such revenues, Measure A Project Receipts in support of debt service, as the primary credit and payment going to bondholders.

Debt Service Reserve Fund. The Agency shall allocate or advise that the obligor allocate a portion of the proceeds from a debt financing to a debt service reserve fund if required by market conditions or the credit rating agencies to achieve the lowest possible cost of financing. The CEO or CFO, in consultation with its external financing team (underwriters and municipal advisors) may recommend not using a debt service reserve fund if there will be no adverse impact to the applicable credit rating or interest cost of the debt financing.

Per federal tax rules, the size of the reserve fund on tax-exempt bond issuance shall be the lesser of:

- 10% of the initial principal amount of the debt;
- 125% of average annual debt service; or
- 100% of maximum annual debt service.

In lieu of holding a cash funded reserve, a reserve surety bond or other credit instrument may be employed in its place, if such alternative reserve instruments provide a more cost-effective solution to the debt financing.

Call Options / Prepayment and Redemption Provisions. A call option, prepayment right or optional redemption provision gives the Agency the right to prepay or retire debt prior to its stated maturity date. This option may permit the Agency to achieve interest savings in the future through the refunding of the bonds. Often the issuer and obligor will pay a higher interest rate as compensation to the buyer for the risk of having the bond called in the future. Because the cost of call options can vary depending on market conditions, an evaluation of factors shall be conducted in connection with each issuance. The CEO or CFO in consultation with its external financing team shall evaluate and recommend the use of call options or early optional redemption provisions on a case-by-case basis.

Method of Sale. The Agency shall evaluate various methods of sale for obligations supported by Agency debt, including, but not limited to, offerings public market (via negotiated or competitive sale) and the private placement / direct purchase market. The CEO or CFO in consultation with its municipal advisor shall evaluate and recommend the method of sale on a case-by-case basis.

**SECTION V: PROCEDURE FOR ISSUANCE OF DEBT:**

1. The Agency will only incur debt by utilizing the applicable statutory authorities, including those provided by the Act. All public and private offerings of or including Agency debt require:

(a) Applicable Expenditure Plan review and approval of the debt for the given year and term of the debt to be designated on future Expenditure Plans.

(b) Debt review for compliance with covenants under existing Agency obligations and recommendation of CEO.

(c) COC approval.

(d) Board approval.

(e) The Agency shall comply with the terms of Section 28 of the Measure A Ordinance with respect to works of construction and shall take steps to monitor such works.

(f) At the discretion of the Board, a review and approval of the offering or transaction by outside and independent advisors.

(g) Receipt of opinions from outside counsel(s) as deemed necessary by general counsel and bond counsel for the offering or transaction.

(h) Review and approval of all fees associated with the offering or transaction by the CEO/CFO or their designated officer and, if so deemed appropriate by the CEO/CFO or their designated officer, by outside and independent advisors.

2. The Agency, in conjunction with any professionals (including, but not limited to, financial advisors, underwriters, and bond counsel) will ensure compliance with Act, the Internal Revenue Code, and all applicable federal and State rules and regulations.

3. The Agency shall comply with legal requirements for notice and for public meetings related to debt. In the interest of transparency, a debt service schedule outlining the rate of retirement for the principal amount of the debt, terms and life of all debt and all costs (including interest, issuance, continuing, and one-time) shall be disclosed to citizens, the Board and other stakeholders in a timely manner. All costs for which Board

approval is not required will be presented via an informational memo at the conclusion of the financing transaction.

4. As specified in Section 64710(c) of the Act, the Agency's purpose is to increase the supply of affordable housing in the County by providing for significantly enhanced funding and technical assistance at a regional level for renter protections, affordable housing preservation, and new affordable housing production of 100 percent affordable housing for households earning 80 percent of the appropriate area median income or below, with financing priority on the lowest levels of affordability. As further specified in Section 64830(d) of the Act, the Agency is empowered to deploy capital the form of grants, loans, equity, interest rate subsidies, and other financing tools to private affordable housing developers to finance affordable housing development and to preserve and enhance existing affordable housing; in carrying out this power the Agency may use its funds for land acquisition, housing acquisition, financing, and ownership programs, including the agency serving as a single source of financing as appropriate, income assistance for extremely low income households, and project-based rental assistance contracts with no time limit that are restricted to the support of extremely low income households.

The Agency recognizes its need to enter into debt obligations from time to time to finance capital infrastructure projects on an interim or permanent basis. The CEO/CFO are primarily responsible for implementing this Debt Policy, for reviewing and presenting viable debt obligations for the purposes and goals set forth in this Debt Policy, and for the ongoing debt administration process for the Agency.

5. The powers of the Agency under the Act (§ 64720) relevant to this Debt Policy and the use of Measure A Project Receipts include:

- Apply for and receive grants from federal and state agencies.

- Incur and issue indebtedness and assess fees on the purchaser, issuer or beneficiary borrower of any debt issuance and Agency loan products for reinvestment of those fees and loan repayments in affordable housing production and preservation in accordance with applicable constitutional requirements.

- Solicit and accept gifts, fees, grants, and other allocations from public and private entities.

- Deposit or invest moneys of the Agency in banks or financial institutions in the state.

- Engage counsel and other professional services.

- Land bank, assemble parcels, and lease, purchase, or otherwise acquire land for housing development. Sell or dispose of land or assets consistent with the Agency's purpose and eligible activities or where a parcel under the Agency's control is deemed to be inappropriate for housing development.

- Allocate and deploy capital and generated fees or income in the form of grants, loans, equity, interest rate subsidies, and other financing tools to the cities and other public agencies within the Los Angeles County area, and private affordable housing developers to finance affordable housing development, preserve and enhance existing affordable housing, and fund tenant protection programs, pursuant to this title, in accordance with applicable constitutional requirements.

- Enter into joint powers agreements pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1) and act in compliance with the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1).

- Any other express or implied powers necessary to carry out the intent and purposes of the Act.

Upon the recommendation of the CEO, the Board may consider conduit financings, under the Marks-Roos Local Bond Pooling Act of 1985 or in partnership with a state issuing agency, on its behalf or together with other local agencies or private entities for the deployment of capital and generated fees or income described in this Debt Policy and in the Act. The CEO will evaluate such conduit financings to determine if the transaction complies with the Act, the Measure A Ordinance and the Board's strategic plan objectives.

6. To achieve Agency goals and objectives for the use of Measure A Project Receipts, the CEO/CFO shall provide an assessment of conditions in the capital markets and make recommendations to the COC and the Board in regard to the structure of a debt financing project, including the maximum term of the debt, amortization of debt service, optional redemption features, and use of variable or fixed-rate debt, credit enhancement, and other structuring considerations, the estimated useful life and the long-term benefits provided by the capital assets being financed. The Agency may incur, issue or cause the issuance of short-term debt in the form of commercial paper notes, bond anticipation notes, lines of credit or other bank products to provide interim financing for such projects in accordance with the Act and this Debt Policy.

7. The Board may approve transactions that deviate from this Debt Policy, if such transactions are deemed to be in the best interest of the Agency. The decision to incur new indebtedness should be integrated with the Board's policy decisions embedded in the Agency's adopted budget and Expenditure Plan. The debt service obligations related to outstanding debt shall be appropriated on an annual basis and included in the Agency's adopted budget and Expenditure Plan. Subject to Board approval of each debt financing project, the CEO/CFO have primary responsibility for the issuance of debt on behalf of the Agency and its affiliated agencies.

The Agency has limited authority to cause the issuance of bonded indebtedness:

- Voter Approved Revenue Bonds. The Agency may incur and issue debt as permitted by the Act in accordance with the Revenue Bond Law of 1941[1] (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5) as provided in Article 2 (commencing with Section 64820 [referring to the Revenue Bond Law of 1941]) of Chapter 2 of Part 2 of the Act, and in accordance with applicable constitutional requirements.

- Mortgage Revenue Bonds. The Agency may issue mortgage revenue bonds pursuant to Part 5 (commencing with Section 52000) of Division 31 of the Health and Safety Code, and other applicable law. (Section 64822.5 of the Act).

- Private Activity Bonds. The Agency may issue private activity bonds (including 501c3 qualified mortgage bonds, and qualified veterans' mortgage bonds) with an award of volume cap pursuant to the Tax Reform Act of 1986 (Public Law 99-514) and Sections 1112 and 1401 of the American Recovery and Reinvestment Act of 2009, as it read prior to repeal (26 U.S.C. Secs. 54a and 1400U-1). (Section 64822.7 of the Act).

- Marks-Roos Revenue Bonds. The Agency may enter into joint powers agreements pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1). (Section 64720(j) of the Act). The Agency may act in compliance with the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1). (Section 64720(p) of the Act).

Upon the recommendation of the CEO, the Board may consider entering into one or more joint powers agreements and otherwise cooperating with one or more state issuing agencies for bonds to be issued on behalf of the Agency or together with other local agencies or private entities. The payment of debt service on such bonds may include Measure A Project Receipts committed through revenue exchange agreements or similar agreements between the Agency and the issuer or non-profit obligor in support of a conduit bond financing under the Marks-Roos Local Bond Pooling Act of 1985 the enabling act of such state issuing agency, with such financial support and payment obligations undertaken by the Agency relating to Affordable Housing Production, Preservation and Ownership projects and/or programs consistent with the terms of this Debt Policy.

## SECTION VI: CREDIT RATING OBJECTIVES

Credit ratings are a reflection of the general financial condition of the Agency, the capabilities of its management, the receipt of taxes distributed and to be distributed to the Agency, the commercial activity subject to Measure A, and relevant performance indicators for contractors and the Agency. Typically, higher credit ratings for a debt

[1] Chapter 6, of Part 1, of Division 2, of Title 5 of the Government Code).

financing are associated with lower costs of borrowing, i.e., lower interest rates on a debt financing.

The most familiar nationally recognized bond rating agencies are Standard and Poor's, Moody's Investors Service, Fitch Ratings and Kroll Bond Rating Agency. When issuing a credit rating for a financing, rating agencies consider numerous factors including but not limited to:

- Overall financial condition;
- Management capabilities;
- Economic and political conditions that may impact the reliability of debt repayment;
- Indebtedness history and current indebtedness portfolio;
- Credit features and issues related to the project being financed with or supported by indebtedness;
- The structure of the financing; and
- Covenants and conditions in the legal documents governing the debt financing.

Bond Ratings. The CEO/CFO in consultation with the project's external financing team shall assess the need for one or more credit ratings for the debt financing by or on behalf of the Agency. As and when necessary, the CEO/CFO, in consultation with the project's external financing team, shall prepare a credit presentation for the target rating agencies.

Rating Agency Communications. The CEO/CFO is primarily responsible for maintaining strong working relationships and ongoing communication with the rating agencies that evaluate the Agency's financial condition and credit quality.

**SECTION VII: PROFESSIONAL SERVICES AND POTENTIAL CONFLICTS**

The Agency shall consider the following with respect to the approval of debt or Agency supported indebtedness.

1. The Agency will, when appropriate and depending on the complexity of the proposed transaction, make use or cause the use of outside experts to verify the fairness of the pricing of all public and private offerings of obligations supported by Agency debt, assist in the evaluation of the appropriateness of proposed financing structures under the scope of this Debt Policy. The Agency shall require all professionals engaged in the process of issuing such obligations to clearly disclose all compensation and consideration received related to services provided in the issuance process by both the Agency and the lender or conduit issuer, if any. This includes "soft" costs or compensations in lieu of direct payments.

2. The Agency will make use of or cause the use of nationally recognized and reputable law firm or firms as bond counsel and general counsel for all public and private offerings of obligations supported by Agency debt. The Agency shall enter into an engagement letter agreement with each lawyer or law firm representing the Agency in any debt transaction. The Agency will require the underwriter or counterparty to all such transactions with the Agency to also engage a nationally recognized and reputable law firm as their counsel.

3. If the Agency chooses to hire financial advisors, the Agency shall enter into a written agreement with each person or firm serving as financial advisor for debt management and transactions.

4. If there is an underwriter, the Agency shall require the underwriter to clearly identify itself in writing (e.g., in a response to a request for proposals or in promotional materials provided to the Agency or an issuer acting on behalf of, or for the benefit of, the Agency) as an underwriter and not as a financial advisor from the earliest stages of its relationship with the Agency with respect to that issue. The underwriter must clarify its primary role as a purchaser of securities in an arm's-length commercial transaction and that it has financial and other interests that differ from those of the Agency or issuer acting on behalf of, or for the benefit of, the Agency. The underwriter in a publicly offered, negotiated sale shall be required to provide pricing information both as to interest rates and to takedown per maturity to the governing body (or its designated official) in advance of the pricing of the obligations supported by Agency debt.

5. Professionals involved in a debt transaction hired or compensated by the Agency shall be required to disclose to the Agency existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, bond counsel, trustee, paying agent, underwriter, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the Agency to appreciate the significance of the relationships.

## SECTION VIII: POST ISSUANCE ADMINISTRATION AND INTERNAL CONTROLS

Receipt of Measure A Revenues. Each year, by October 1, the Agency shall forward an annual report to the County's Chief Executive Officer identifying:

- Amount of tax collected and spent in the prior fiscal year.
- Status of any projects or work funded by tax proceeds
- Any funds carried over from prior years and to be carried over to future years.

These reports will be public records and will be posted on the Agency website. The Agency shall retain each report for 5 years from date of completion.

Each year, the Auditor-Controller will use such report to prepare a report on all receipts and expenditures in the prior fiscal year for the Board of Supervisors and the Agency.

Each year, the Auditor-Controller will audit all tax receipts and expenditures (including Agency receipts and expenditures) per the Single Audit Act (31 U.S.C. Chapter 7). These audit reports will be public records and will be posted on the Agency website. The Agency shall retain each audit for 5 years from date of completion.

Report to the Legislature. Further, in accordance with Section 64832 of the Act, to ensure oversight and accountability, the Agency shall prepare and submit an annual report to the Legislature, in conformance with Government Code Sections 9795 and 53411 on allocations and expenditures under its control, and those controlled by the County or a city pursuant to subdivision (d) of Section 64830 of the Act. The report shall include a description of projects funded and their status, the households served by income level, and the extent to which the minimum targets in subdivision (d) of Section 64830 of the Act were achieved.

Independent Financial and Performance Audit Relating to Bonds. In accordance with Section 64824 of the Act:

(a) Every two years after the issuance of bonds pursuant to this section, the agency shall contract for an independent financial and performance audit. The audit shall be conducted according to guidelines established by the Controller. A copy of the completed audit shall be provided to the Controller, the Director of Finance, and the Joint Legislative Budget Committee.

(b) Upon the request of the Governor or the Legislature, the Bureau of State Audits may conduct a financial and performance audit of the agency. The results of any audit shall be provided to the board, the Controller, the Director of Finance, and the Joint Legislative Budget Committee.

Investment of Bond Proceeds. With respect to financings supported by Agency debt, the CEO will evaluate such financings to determine appropriate Agency involvement in directing the investment of bond proceeds, including project funds, reserve funds and other funds, in accordance with the Agency's investment policy. Each indenture or trust agreement and tax certificate shall require compliance with federal tax law requirements.

The trustee or fiscal agent will be responsible for recording all investments and transactions relating to the proceeds and for providing monthly statements regarding the investments and transactions.

Use of Bond Proceeds. Insofar as any obligation of the Agency with respect to debt as described in this section, the CEO/CFO is primarily responsible for ensuring that proceeds of bonds issued by or on behalf of the Agency are spent in accordance with the intended purposes and requirements identified in the related legal documents and that the proceeds are spent within the time frames identified in the tax certificate prepared by bond counsel.

With respect to other financial support and payment obligations undertaken by the Agency, the Agency shall have only those responsibilities and ability to direct or approval expenditures as specified in the related agreements.

Arbitrage Rebate Compliance and Reporting. The use and investment of proceeds of bonds issued by or on behalf of the Agency must be monitored to ensure compliance with Internal Revenue Code arbitrage restrictions. Existing regulations require that issuers calculate rebate liabilities related to any bond issues, with rebates paid to the Federal Government every five years and as otherwise required by applicable provisions of the Internal Revenue Code and Treasury regulations. The Agency shall cause the completion of timely and accurate arbitrage calculations and making any required arbitrage rebate payments. The Agency has the option to contract with external consultants to ensure that proceeds and investments are tracked in a manner that facilitates accurate and complete calculations, and if necessary timely rebate payments.

With respect to other financial support and payment obligations undertaken by the Agency, the Agency shall have only those compliance and reporting obligations specified in the related agreements, such obligations having been undertaken by the issuer or non-profit obligor.

Continuing Disclosure Requirements. The CEO/CFO is responsible for ensuring that the Agency's annual financial statements, continuing disclosure reports and material event notifications are posted on the Agency's industry web site and/or third-party industry recognized platform and/or the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board. The Agency may also contract with third-party consultant(s) to comply with its continuing disclosure obligations, and with Securities and

Compliance with Other Debt Covenants. The CEO/CFO has primary responsibility for ensuring or monitoring compliance with the following types of debt covenants:

- Annual Expenditure Plan approval of revenues to meet debt service payments;
- Taxes/fees are levied and collected where applicable;
- Timely transfer of payments to the trustee; and
- Post-issuance procedures established in the tax certificate for any tax-exempt debt.

Records Retention. A copy of all relevant documents and records will be maintained by the Agency through the final maturity of the debt financing plus seven (7) years. Relevant documents and records will include sufficient documentation to support the requirements related to maintaining the tax-exempt status of the debt financing.

Investor Relations. Information that the Agency intends to make available to the investing public, including bondholders, investment advisors, or any other members of the investment community shall be posted on the EMMA website and/or a third-party industry recognized platform, and may at the direction of the CEO/CFO be posted on the Agency website.

ADOPTED 8/20/2025

# APPENDIX A

**Section 64830. Affordable housing**

(a)

(1) Revenue generated pursuant to this part shall be used for the construction of new affordable housing, affordable housing preservation, tenant protection programs, planning and technical assistance related to affordable housing, and for other purposes, as provided for in this section.

(2) Notwithstanding paragraph (1), the agency may transfer a portion of the revenue raised by a tax measure adopted pursuant to this title to the County of Los Angeles for programs that provide supports and services to prevent and combat homelessness.

(b)

(1) For purposes of this section, “regional housing revenues” are those revenues generated pursuant to Chapter 2 (commencing with Section 64810) except as provided in paragraph (2).

(2) If a tax measure is adopted pursuant to this title and the agency transfers a portion of the revenue raised by the measure to the County of Los Angeles for programs that provide supports and services to prevent and combat homelessness, the portion of revenue transferred shall not be included in “regional housing revenues” or the annual programmatic budget and shall not be subject to this chapter.

(c) The allocation of regional housing revenues to projects and programs shall be approved by the board.

(d) Subject to funding eligibility and adjustment pursuant to subdivision (b) of Section 64717, the agency shall distribute regional housing revenue in the form of a grant, loan, or other financing tool pursuant to subdivision (q) of Section 64720 in a manner that achieves the following shares in the annual expenditure plan:

(1) A minimum of 40 percent of the annual programmatic budget, excluding any bond indebtedness, shall be spent on affordable housing creation, preservation, and ownership as follows:

(A) The following conditions shall apply with regard to affordable housing creation:

(i) Funding pursuant to this subparagraph may be used for the following purposes, including, but not limited to, land acquisition, housing acquisition, financing, and ownership programs, including the agency serving as a single source of financing as appropriate, income assistance for extremely low income households, and project-based rental assistance contracts with no time limit that are restricted to the support of extremely low income households.

(ii) Financing for any development costs associated with a project or funding grant that is for housing that is 100 percent affordable, which means restricted to any household that earns less than 80 percent of the area median income (AMI), including permanent supportive housing that includes onsite supportive services. An eligible project may also include a subset of at least 50 units, or 50 percent of the total units, whichever is greater, in a larger development that includes units targeted up to 120 percent of AMI, in which case the agency may only fund units that are designated for extremely low and very low income households, and agency funds shall not be used in connection with any unit that is income restricted due to development incentives, density bonuses, or similar programs.

(I) For each of the eligible jurisdictions, as defined in paragraph (1) of subdivision (a) of Section 64830.5, 25 percent of all funded units shall be reserved for extremely low income households, as defined in Section 50106 of the Health and Safety Code, and 25 percent shall be reserved for very low income households, as defined in Section 50105 of the Health and Safety Code, over any two-year period, with regular monitoring by the citizens' oversight committee and board of units funded and constructed during that two-year period.

(II) For each project, 10 percent of the units in the project shall be reserved for extremely low income households and 10 percent of the units shall be reserved for very low income households.

(B) Funding pursuant to this paragraph for affordable housing preservation programs may be used to acquire, rehabilitate, place affordability restrictions on, and preserve existing housing units, housing from the private market, and units in residential hotels as defined in paragraph (1) of subdivision (b) of Section 50519 of the Health and Safety Code for affordability, in order to prevent the loss of affordability and expand permanent affordability. Funding provided pursuant to this subparagraph shall be subject to both of the following conditions:

(i) Existing residents of buildings acquired for the purpose of affordable housing preservation shall not be permanently displaced, even if the resident's household income exceeds the moderate-income limits in Section 50093 of the Health and Safety Code.

(ii) Buildings acquired for the purpose of affordable housing preservation shall achieve 100 percent occupancy by extremely low or very low income households over time through unit turnover.

Grants, loans, or other financing provided to community land trusts and other similarly structured nonprofit entities to acquire, rehabilitate, and preserve existing housing units are an eligible use pursuant to this subparagraph.

Programs to enable low- or moderate-income households to become or remain homeowners, including, but not limited to, below market rate ownership programs, downpayment assistance programs, residential rehabilitation loan programs, and grants or loans to assist in the rehabilitation or replacement of existing mobilehomes located in a mobilehome or manufactured home are eligible uses pursuant to this subparagraph.

(C) Funding provided pursuant to this paragraph shall be subject to the following conditions in the event that demolition or rehabilitation of housing units is required:

(i)

(I) Any funded development or affordable housing grant on any property that includes a parcel or parcels that currently have residential uses, or within the five years preceding the grant have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low income, subject to any other form of rent or price control through a public entity's valid exercise of its police power, or occupied by low- or very low income households, shall be subject to a policy requiring the replacement of all those units to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those households in occupancy.

(II) Replacement requirements shall be consistent with those set forth in paragraph (3) of subdivision (c) of Section 65915, provided that any dwelling unit that is or was, within the five-year period preceding the grant, subject to a form of rent or price control through a local government's valid exercise of its police power and that is or was occupied by persons or families above lower income shall be replaced with units made available at affordable rent or affordable housing cost to, and occupied by, low-income persons or families.

(ii) If existing residents are required to be relocated due to demolition or rehabilitation needs, the developer is required to provide relocation benefits to the occupants of those housing rental units subject to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1. The developer shall comply with either the local government requirements for relocation assistance to displaced households or the policy set by the agency for relocation assistance to displaced households, whichever provides a greater benefit to the relocated or displaced households.

(iii) If existing occupants who are lower income households are required to vacate their units due to demolition or rehabilitation needs, the developer shall provide a right of first refusal for a comparable unit available in the new or rehabilitated housing development that is affordable to the household at an affordable rent, as defined in Section 50053 of the Health and Safety Code, or an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code.

(2)

(A) At least 30 percent of the total annual programmatic budget, excluding any bond indebtedness, shall be spent on countywide renter protection and support programs.

(B) These programs include any effort that helps renters of lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(C) Eligible uses of the funds include, but are not limited to, all of the following:

(i) Preeviction and eviction legal services, counseling, advice and consultation, training, renter education and representation, and services to improve habitability that protect against displacement of tenants.

(ii) Providing rental assistance for lower income households. Rental assistance shall be provided to a specific household for a reasonable amount of time not to exceed six months, and shall be paired with supportive services, such as eviction prevention and defense, to the greatest extent possible.

(iii) Providing relocation assistance for lower income households beyond what is legally required of landlords according to local or state law.

(3) Fifteen percent of the total annual programmatic budget shall be allocated as “annual priorities,” and these funds may be used for any eligible activity outlined in this chapter as part of the annual expenditure plan.

(4) At least 5 percent of the total annual programmatic budget, excluding any bond indebtedness, shall be used for technical assistance, research, and policy development. Eligible uses for these funds include, but are not limited to, all of the following:

(A) Collecting and tracking information related to displacement and displacement risk, rents, and evictions in the region.

(B) Drafting model affordable housing land use ordinances that may be adopted by any jurisdiction in the County of Los Angeles.

(5) Not more than 10 percent of the total annual programmatic budget, excluding any bond indebtedness, shall be used for the agencies administrative and operations expenses.

**Section 64830.5. Allocation of revenues; requirements;**

(a)

(1) In this subdivision, “eligible jurisdictions” shall mean the following jurisdictions:

(A) The councils of governments in Los Angeles County, excluding the jurisdictions described in subparagraphs (B) through (F), inclusive.

(i) Funds, or a portion of the funds, provided to the San Gabriel Valley Council of Governments may be allocated by the council to the San Gabriel Valley Regional Housing Trust, and the trust shall use the funds pursuant to the same requirements as funding provided to the councils of governments.

(ii) A council of government that creates and operates a regional housing trust that is consistent with the San Gabriel Valley Regional Housing Trust model shall be eligible to receive a direct allocation. If any regional housing trust is created that does not correspond to an existing council of government, the board shall have discretion to determine the appropriate pro rata funding allocation.

(B) The City of Los Angeles.

(C) The City of Long Beach.

(D) The City of Glendale.

(E) The unincorporated areas of Los Angeles County.

(F) The City of Santa Clarita.

(2) Revenue generated pursuant to this part shall be allocated according to the following geographic distribution schedule:

(A)

(i) (i) Seventy percent of annual funding for the purpose of affordable housing preservation, affordable housing production, income assistance for extremely low-income households, and long-term, project-based rental assistance shall be allocated, based on the eligible jurisdiction's pro rata lower income housing need, to the eligible jurisdictions, provided that the allocation is consistent with the eligible uses of the funding set forth in paragraph (1) of subdivision (d) of Section 64830.

(ii)

(I) Thirty percent of annual funding for the purpose of affordable housing preservation, affordable housing production, and long-term rental assistance, with no time limit, shall be allocated by the agency to the eligible jurisdictions consistent with the guiding principles of the agency and the eligible uses outlined in Section 64830.

(II) At least 5 percent of funds allocated pursuant to subclause (I) shall be used for technical assistance grants to cities with a population under 50,000.

(iii) If an eligible jurisdiction is found to be out of compliance with affordability targets at the end of a two-year period, the board may take any of the following actions:

(I) Limit the funding for the jurisdiction to extremely low and very low income housing units only until compliance is reestablished.

(II) Require the funding allocated to the jurisdiction to be administered by the agency instead of the jurisdiction.

(III) Increase funding incentives as needed to meet project and programmatic targets.

(iv)

(I) Any eligible jurisdiction may receive a direct allocation of all or part of the jurisdiction's funding described in this subparagraph if all of the following conditions are met:

(ia) The jurisdiction agrees to adopt and adhere to agency financing policies and guidelines, including public engagement and notice provisions outlined in this chapter.

(ib) All funded projects are in compliance with the agency's eligible uses and affordability requirements.

(ic) The jurisdiction agrees to allocate its funding within 12 months through administrative processes without being subject to additional legislative process.

(id) The jurisdiction is in compliance with Affirmatively Furthering Fair Housing in California guidelines.

(II)

(ia) Once committed to a specific project, funds shall remain available for expenditure for an additional five years, unless an extension is authorized pursuant to sub-subclause (ib).

(ib) If the funds have not been expended within five years of receipt as required in sub-subclause (ia), the jurisdiction shall show that it has made adequate progress towards completing the project. If the agency finds that the city has made adequate progress, the agency shall authorize an additional 24 months to grant entitlements to the remainder of the project. If the agency does not find that the city has made adequate progress, the funds shall be transferred to the agency. The agency shall hold the funds until the city submits a plan satisfactory to the agency to move forward with the project or allocate funds to another qualified project consistent with the jurisdiction's expenditure plan.

(ic) For purposes of this subclause, “adequate progress” means the project has received the land use approvals or entitlements necessary for at least 75 percent of the project’s units.

(B)

(i) Seventy percent of annual funding for the purpose of renter protections and support shall be allocated to the eligible jurisdictions, provided that the allocation is consistent with the eligible uses of the funding set forth in paragraph (2) of subdivision (d) of Section 64830.

(ii)

(I) Thirty percent of annual funding for the purpose of renter protections and support shall be allocated by the agency to the eligible jurisdictions consistent with the guiding principles of the agency and the eligible uses outlined in Section 64830.

(II) At least 5 percent of funds allocated pursuant to subclause (I) shall be used for technical assistance grants to cities with a population under 50,000.

(iii) The agency shall have the discretion to fund any programs operated by any governmental or nonprofit entity that are consistent with the eligible uses outlined for renter protections and support. Direct unrestricted allocations are not permitted to any governmental entity.

(C)

(i) Seventy percent of annual funding for the purpose of technical assistance, research, and policy development shall be allocated, on a per low-income renter household basis, to the eligible jurisdictions, provided that the allocation is consistent with the eligible uses of the funding set forth in paragraph (4) of subdivision (d) of Section 64830.

(ii) Thirty percent of annual funding for the purpose of technical assistance, research, and policy development shall be allocated by the agency on an at-large basis consistent with the guiding principles of the agency and the eligible uses outlined in Section 64830, subject to both of the following conditions:

(I) At least 5 percent of funds allocated pursuant to this clause shall be used for technical assistance grants to cities with a population under 50,000.

(II) The agency shall create a list of consultants who shall be available to provide technical assistance, research, and policy development to these cities consistent with this subclause. Cities with a population under 50,000 shall be entitled to a 10 percent administrative cost reimbursement as part of this application cost.

(b) Councils of governments in Los Angeles County shall be subject to the following requirements:

(1) Funds allocated to a council of governments shall be administered by the agency in collaboration with the council receiving funding.

(2) Each city within each council of government may have its own set aside, which shall be based on its pro rata lower income housing need. The council of government and its members may develop policies to allocate set-aside funds.

(3) Funds, or a portion of the funds, provided to the San Gabriel Valley Council of Governments may be allocated by the council to the San Gabriel Valley Regional Housing Trust, and the trust shall use the funds pursuant to the same requirements to which funding provided to the councils of governments are subject pursuant to this chapter.

(c) Cities receiving a direct allocation shall be subject to the following requirements:

(1) The City of Los Angeles shall have its own set aside based on its pro rata lower income housing need, subject to a 50-percent limit on the category described in clause (i) of subparagraph (B) of paragraph (2) of subdivision (a).

(2) The City of Long Beach shall have its own set aside based on its pro rata lower income housing need.

(d) The unincorporated area of Los Angeles County shall have its own set aside, which shall be based on its pro rata lower income housing need.

(e) The following factors shall be considered for at-large funding allocations:

(1) Whether the allocation affirmatively furthers fair housing.

(2) The allocation’s effect on displacement indicators.

(3) The allocation’s effect on rent-burdened populations.

(4) Whether the allocation serves populations with disabilities.

(f) In this section, "pro rata lower income housing need" shall mean the jurisdiction's share of the total lower income housing needs assessment goal for the County of Los Angeles allocated pursuant to Section 65584.

**Section 64720.3. Exemptions from Division 13**

Both of the following shall be exempt from Division 13 (commencing with Section 21000) of the Public Resources Code:

(a) Any action taken by the agency to finance, fund, or issue grants, loans, or bonds.

(b) Any action taken by the agency to purchase or lease real property for the purpose of any of the following:

(1) The preservation of existing housing that involves negligible or no expansion of use.

(2) The development of residential housing for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(3) The provision of technical assistance to local jurisdictions to promote affordable housing, including, but not limited to, drafting model affordable housing land use ordinances and policies and providing staff support to local jurisdictions.

**Section 64720.5. Projects with under 40 units; project with 40 units or greater; eligibility for funding**

(a) Any construction or rehabilitation project receiving funding or financing from the agency, a measure proposed by the agency pursuant to subdivision (a) of Section 64720, or a joint powers authority of which the agency is a member, including, but not limited to, a project with under 40 units, shall constitute a public work for which prevailing wages shall be paid for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(b) A project with 40 units or greater is eligible to receive funding or financing from the agency, a measure proposed by the agency pursuant to subdivision (a) of Section 64720, or a joint powers authority of which the agency is a member, only if all construction and rehabilitation is subject to the City of Los Angeles Department of Public Works PLA. For purposes of this subdivision and subdivision (c), the number of units means the maximum number of units authorized in an entitlement granted by the land use permitting authority for the development project, regardless of whether construction or rehabilitation proceeds in phases or ownership is divided.

(c) Notwithstanding subdivision (b), if a specific countywide project labor agreement is negotiated with mutual agreement between the Los Angeles/Orange Counties Building and Construction Trades Council and the Southern California Association of Nonprofit Housing and approved by the agency, then a project with 40 units or greater is eligible to receive funding or financing from the agency, a measure proposed by the agency pursuant to subdivision (a) of Section 64720, or a joint powers authority of which the agency is a member, only if all construction and rehabilitation is subject to the specific countywide project labor agreement rather than the Department of Public Works PLA.

(d) For purposes of this section, "project labor agreement" has the same meaning as in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(e) For purposes of this section, "Department of Public Works PLA" means the City of Los Angeles Department of Public Works Project Labor Agreement 2020-2030 with Los Angeles/Orange Counties Building and Construction Trades Council, effective August 25, 2021.

# APPENDIX B

The Measure A Ordinance provides funding and accountability requirements with respect to the Agency (emphasis added by underline of Housing Agency and Funding Recipient):

**SECTION 4. FUNDING ADJUSTMENTS BASED ON OUTCOME GOALS.**

A. In addition to achieving the purposes set forth in sections 3 and 9, this Ordinance has five goals:

1. Increase the number of people moving from encampments into permanent housing to reduce unsheltered homelessness;

2. Reduce the number of people with mental illness and/or substance use disorders who experience homelessness;

3. Increase the number of people permanently leaving homelessness;

4. Prevent people from falling into homelessness; and

5. Increase the number of affordable housing units in Los Angeles County.

B. When evaluating progress towards these goals, the following key system performance metrics should be considered, in addition to any other metrics determined by the Executive Committee and Housing Agency:

1. Creating a standardization of basic services to bring people inside and ensure that people have access to social services, medical care, and behavioral/mental health care;

2. Establishing a homeless-service-delivery system more accessible to all communities;

3. Meeting regional housing needs for Lower Income Households;

4. Using an equity lens, reducing racial disparities and the disproportionate impact of homelessness and housing insecurity for critical populations identified in paragraph A of section 3; and

5. Increasing accountability and transparency as to the use of public funds.

C. The Executive Committee shall evaluate progress toward goals in paragraph A of this section, with an emphasis on goals 1, 2, and 3; and the Housing Agency shall evaluate progress towards the goals in paragraph A of this section, with an emphasis on goals 4 and 5. Both the Executive Committee and the Housing Agency should consider all relevant key system performance metrics referenced in paragraph B of this section; report publicly as to whether those goals are being met, which existing programs are highly effective, and how those goals might be better achieved; and determine consequences for not meeting the goals. No later than April 1, 2025, the Executive Committee and Housing Agency shall each formulate baseline and target metrics based on input and recommendations from the Leadership Table; relevant County staff; and stakeholders, including service providers contracted to provide services like those to be funded by the tax imposed by this Ordinance, affordable housing developers, and renter protection organizations. Programs funded by the tax imposed by this Ordinance should contribute to achieving the goals stated in paragraph A of this section by demonstrating progress from the baseline metrics toward target metrics.

D. For each goal for which the target metric has not been achieved as of December 31, 2030, the Executive Committee shall make recommendations to the Board of Supervisors and the Housing Agency to redirect funds to or away from specific programs. If any of the target metrics have not been achieved, the Executive Committee shall recommend reallocations among County programs and among Housing Agency programs, respectively, of between 2.5% and 5% of the total allocation to each of the County or the Housing Agency.

E. No later than October 1, 2031, the Executive Committee and the Housing Agency shall formulate new baseline and target metrics as described in paragraph C above. In addition to any input that paragraph requires, the new baseline and target metrics shall be also informed by the annual evaluation agenda and prior program performance. The Executive Committee shall evaluate progress towards these new metrics at least every five years thereafter and make recommendations to the Board of Supervisors and the Housing Agency to redirect funds to or from specific programs, as described in paragraph D. If funds have been redirected as a result of prior evaluations, the redirection of those funds may be reevaluated. Nothing in this section precludes the Executive Committee from recommending such reallocations at any time after December 31, 2030. Nothing in this section precludes the Executive Committee or the Housing Agency from developing new baseline and target metrics.

**SECTION 5. ACCOUNTABILITY MEASURES.**

A. Each Funding Recipient shall provide the Chief Executive Officer a report by October 1 of each year stating:

1. The amounts of tax that Funding Recipient collected and spent in the previous fiscal year;

2. The status of any project or work of that Funding Recipient funded by the proceeds of this tax; and

3. The funds carried over from previous years and to be carried over to future years.

Each Funding Recipient shall make such reports available for public inspection without charge, including by posting them on its website for at least five years after they are completed.

B. The Chief Executive Officer shall annually compile those reports and file the compilation with the Auditor-Controller. The Auditor-Controller shall annually prepare and transmit to the Board of Supervisors and Housing Agency a report on all receipts and expenditures in the preceding fiscal year, in compliance with Government Code section 50075.3. In addition, upon request, the Auditor-Controller will present the findings of this report to the Executive Committee, the Leadership Table, and the Los Angeles Homeless Services Authority Commission. The County shall annually audit receipts and expenditures of the tax imposed under this Ordinance. That audit may be included within any other audit the County performs that complies with the Single Audit Act, 31 U.S.C. chapter 7. The County and the Housing Agency shall make such audit reports available for public inspection without charge, including by posting them on their websites for at least five years after they are completed.

C. Starting October 1, 2027, if a city, the County, or a council of governments reports unexpended funds of 30% or more of its proceeds from the Local Solutions Fund in two consecutive annual reports, the County shall direct that city, County staff, or that council of governments to remit the excess over 30% to the Local Solutions Fund. In particular, and without limitation, funds appropriated by cities, the County, and councils of governments for permanent affordable housing construction shall be excluded when determining whether the fund exceeds the foregoing 30% threshold.

D. By October 15 of each year, the County shall report to the Auditor-Controller the amount it obligated from the Affordable Housing Program budget unit from all sources to that unit (not limited to the tax imposed by this Ordinance) in the previous fiscal year for the following uses: the production of new, or preservation of existing, affordable housing for low-, very low-, extremely low-, and acutely low-income or homeless households; rental assistance; rapid rehousing; shared housing; move-in assistance; and administrative costs related to these uses. If that report shows that the County has not obligated from its Affordable Housing Program budget unit at least $100 million dollars in that fiscal year for these purposes from sources other than the tax imposed by this Ordinance, then, for the next fiscal year, the Auditor-Controller shall redirect the proceeds that would otherwise be allocated to LACDA [the Los Angeles County Development Authority, or any successor entity] for Local Housing Production under subparagraph B.3 of section 3 of this Ordinance to the Housing Agency for Affordable Housing Production, Preservation and Ownership in an amount equal to the difference between the reported amount and $100 million (but not to exceed to total amount allocated under subparagraph B.3 of section 3). For example, if the County reported obligating $85 million in the prior fiscal year, the Auditor-Controller shall redirect to the Housing Agency $15 million dollars that otherwise would have been directed to LACDA under subparagraph B.3 of section 3. For the purposes of this paragraph D, funding is considered obligated if it is included in a spending plan adopted by the Board of Supervisors, or if the Board of Supervisors otherwise approves the allocation of the funding, for the production of new, or preservation of existing, affordable housing for low-, very low-, extremely low-, and acutely low-income or homeless households; rental assistance; rapid re-housing; shared housing; move-in assistance; and administrative costs related to these uses.

# RESERVE POLICY

## PURPOSE

This reserve policy (this "Policy") sets forth the amount that the Los Angeles County Affordable Housing Solutions Agency ("LACASHA") will attempt to retain in reserve and will also describe the acceptable uses of the reserves maintained. LACAHSA maintains reserves as a risk mitigation strategy and attempts to maintain reserves in proportion to the risk to which LACAHSA is subject. LACAHSA is subject to risks such as: i) revenue shortfalls resulting from overestimation of Measure A revenues or declines in local economic activity; ii) underestimation of expenses or incurrence of unbudgeted expenditures; and iii) liquidity shortfalls due to short-term imbalances between the amount of revenues received and the amount of obligations coming due. Reserves help ensure that LACAHSA can operate unimpeded in the event that any of these risks materialize.

## RESERVE AMOUNT

LACAHSA will use commercially reasonable efforts to hold the following amounts in reserves, in each of its programmatic and administrative funds as specified. The amount of money held in reserve is stated as a percent of revenues, so the reserve stays consistent with the size of the budget over time.

- At a minimum, the reserve will be equal to at least 4% of revenues for each of production, preservation and ownership ("PPO"), renter protection and homelessness prevention ("RPHP"), technical assistance ("TA") and administrative expense.

- The maximum size of the reserves is 7% of revenues for each of PPO, RPHP and TA and 10% of revenues for administrative expense.

LACAHSA's finance department will conduct long-range forecasting to decide if LACAHSA is likely to stay within its range of reserves.

If the minimum reserve is not maintained as of the end of any fiscal quarter or is not expected to be maintained as of the end of any fiscal year during any period subject to forecast, the Chief Financial Officer will develop a plan to bring the reserve to the desired amount. This plan will be offered to the Budget and Administrative Executive Committee for consideration.

If the maximum reserve is exceeded as of the end of any fiscal year with respect to a programmatic use (i.e., PPO, RPHP or TA), LACAHSA may spend the excess reserves during the subsequent fiscal year for that particular programmatic use. If the maximum reserve is exceeded as of the end of any fiscal year with respect to administrative expense, LACAHSA shall allocate such excess to programmatic uses during the subsequent fiscal year based on the applicable Measure A and SB 679 allocation percentages (e.g., 63.16% to PPO, 31.58% to RPHP and 5.26% to TA).

## ACCEPTABLE USES OF RESERVES

Reserves are meant to address unexpected, nonrecurring costs. Reserves should not be used for recurring annual operating costs. An exception is revenue or liquidity shortfalls that cause ordinary operating expenses to exceed current period revenues. In such cases, reserves may be used to provide short-term relief so that LACAHSA can continue normal operations, and if necessary, restructure its operations in an orderly manner to align ongoing expense with anticipated future revenue streams.

## AUTHORITY TO USE RESERVES

The Chief Financial Officer may authorize the use of reserves for purposes consistent with this Policy.

## REPLENISHMENT OF RESERVES

If LACAHSA uses its reserves and those reserves are below the allowed minimum, then the Chief Financial Officer will propose a plan for the replacement of the reserves. The Budget and Administrative Executive Committee will review and approve the plan. LACAHSA will use commercially reasonable efforts to replace the reserves within the minimum amount of time that is practical.

# DIRECT PROGRAM EXPENSE POLICY

## PURPOSE

This direct program expense policy (this "Policy") defines the scope of expenditures incurred by the Los Angeles County Affordable Housing Solutions Agency ("LACASHA" or the "Agency") that qualify as programmatic in nature and as such may be included with the annual budgets for rental protection and homelessness prevention ("RPHP") and production, preservation and ownership ("PPO"), and paid from Measure A funds allocated to each as a part of LACAHSA's 30% allocation of such funding.

## STATEMENT OF PRINCIPLE

The Agency should seek to maximize programmatic outcomes, including the number of affordable housing units produced and preserved and the number of people receiving legal assistance and homelessness prevention services funded by LACAHSA. Concurrently, LACAHSA should provide for the effective administration of the Agency, including complying with all relevant laws, regulations, ordinances and other obligations, and ensuring transparency and accountability to the citizens of Los Angeles County and the beneficiaries of the services that the Agency provides. In furtherance of these objectives and in light of the 5% limitation of Measure A funds that may be used for administrative purposes, it is necessary for the Agency to fund certain direct programmatic expenses from the respective programmatic expense budget, both to achieve programmatic goals and to provide sufficient funding to effectively administer the business of the Agency.

The qualifying expenditures must directly relate to the delivery of programmatic services and not to the administration of the business of LACAHSA more generally. Therefore, the salaries of LACAHSA personnel and allocations of indirect costs do not meet the threshold of qualifying expenditures.

This Policy is not intended to expand the scope of activities permissible under the Agency's Program Guidelines, as such Program Guidelines may be amended or restated from time to time, but is rather intended to define what is permissible within such scope and to provide enhanced transparency regarding the Agency's budgetary practices.

## QUALIFYING EXPENDITURES

Qualifying direct program expenses are those expenses that directly relate to the attainment of programmatic outcomes and further relate to any of the following: (1) the design, implementation or operation of programs; (2) Agency activities undertaken to facilitate the production or preservation of housing or home ownership; or (3) Activities undertaken by the Agency to build or maintain infrastructure that benefits or supports the programmatic activities of the Agency and/or one or more eligible jurisdictions. Qualifying expenditures include but are not limited to:

- The cost of developers, consultants, IT infrastructure, data, research and software subscriptions incurred in connection with the development or operation of portals, including those used to facilitate the identification, prioritization, and delivery of funding to eligible households;

- NOFA administration;
- Underwriting, closing, and asset management support;
- Legal fees; and
- Data and policy analysis.

**AUTHORITY TO INCUR QUALIFYING EXPENDITURES**

Qualifying expenditures may only be paid from funds reserved for programmatic purposes to the extent that such expenditures are set forth in a budget approved by LACAHSA's board of directors or are otherwise approved by action of LACAHSA's board of directors.

# RECORDS RETENTION POLICY AND SCHEDULE

**WHEREAS**, the Los Angeles County Affordable Housing Solutions Agency (“LACAHSA”) has an obligation to create and maintain records and information in accordance with accepted records management practices and standards;

**WHEREAS**, LACAHSA will manage and maintain records until the retention period has ended; will store records by a means acceptable to standard records management practices; and, once the retention period has ended, will destroy, archive or otherwise handle said records in accordance with this policy; and,

**NOW THEREFORE, BE IT RESOLVED, THAT** The Governing Board (“Board”) of LACAHSA hereby resolves to maintain records in accordance with the following Records Retention Policy and Schedule (the “Policy”):

## RECORDS RETENTION POLICY STATEMENT

## I. LACAHSA RECORDS MANAGEMENT

The Chief Executive Officer, or designee (“CEO”) for LACAHSA is responsible for developing and administering records management and archiving protocols and guidelines contained within this Policy. After LACAHSA Board approval of this Policy, the CEO, on a biennial basis, will take steps to review and update this Policy and present these changes, if any, to the LACAHSA Board for approval. This Policy is developed to assist LACAHSA in discharging its records management, archiving and retention responsibilities.

## II. DEFINITIONS

The phrase “in the custody of LACAHSA” means in the physical possession or control of the CEO, any of the LACAHSA Board members, any LACAHSA staff, any contractors under contract with LACAHSA to perform any services that generate documents used by LACAHSA to perform its functions or carry out its duties.

The phrase “official public record” means a thing, based on its content and regardless of its medium, which constitutes an objective lasting indication of a writing, event, or other information, which is in the custody of LACAHSA and is kept either (1) because a law requires it to be kept or (2) because it is necessary or convenient to the discharge of LACAHSA duties and was made or retained for the purpose of preserving itsAn official public record, as defined in this Policy, differs from the definition of a public record under the California Public Records Act (Government Code section 7920.000 et seq.) (“CPRA”) in that the latter may be construed more broadly.

An official public record in the custody of LACAHSA, as defined in this Policy, may include all records maintained in LACAHSA (or in LACAHSA-designated contractor) offices, storage areas, electronic systems, and electronic storage devices. These storage devices or locations may include networked servers, cloud-based storage, mainframes, data warehouses, storage area networks, electronic data interchanges, imaging and document management systems, personal computers, laptops, cell phones, internal or external hard drives, magnetic tapes, optical disks, and any other system or device used to perform LACAHSA business.

As a general rule, official public records are LACAHSA property regardless of how or where they are stored, and they will remain the property of LACAHSA until their eventual disposition. Employees and third-party contractors shall not donate, sell, nor take sole physical control or possession of LACAHSA records. This includes records that have already met their retention period and are set for disposition. However, certain exceptions may exist. Thus, when any questions arise relating to this subject matter, please obtain assistance from LACAHSA legal counsel.

The following examples are not considered to be official public records (these are "**non-records**"):

1) Duplicates of an official public record made solely for convenience or reference;

2) Documents and records in draft form;

3) Transitory and informal communications used to develop an official public record, unless they are specifically required to be retained by the CEO, by LACAHSA Board, by LACAHSA Board-approved policy, or by applicable law or regulation;

4) Duplicative copies of publications and blank forms;

5) Material intended solely for reference or exhibition;

6) Material with no requirement for retention under this Policy.

**Non-records** have no retention period and thus may be disposed of at any time unless they are responsive to a Litigation Hold or a CPRA Request or are otherwise needed for LACAHSA purposes as further explained below.

## III. RECORD RETENTION

The Records Retention Schedule set out below provides minimum retention periods for maintaining official public records. Once an official public record has met its minimum retention period, the record may be destroyed, archived or otherwise handled as set forth below (disposition).

This Records Retention Schedule does not cover all categories of records and may be modified periodically by the CEO, subject to adoption/approval of LACAHSA Board.

## IV. RECORD DISPOSITION

Disposition refers to the final stage in the management of a record, where an official public record has met its retention period and may be ready for destruction. Prior to the destruction of an official public record, the following criteria should be considered:

A. Is the record subject to a Litigation Hold or a CPRA Request?

B. Does the record have a specific administrative or fiscal function?

C. Does the record have a specific historical/archival value?

D. Is the record vital to LACAHSA on-going operations?

The LACAHSA CEO or designee will periodically review official public records in the custody or control of LACAHSA, including those stored with LACAHSA-designated contractors, and dispose of these records in adherence to the applicable schedules set out in this Policy, having first considered the criteria stated above and as more fully explained below.

Records falling into any of the categories listed above, and as further explained below, should be stored and managed with appropriate labeling and container demarcation so as to easily identify protected content.

All other official public records not currently in use, shall be retained (in archived storage) until their disposition date is reached. Any records scheduled to be retained, but for which there exists no current use, shall be properly archived in a manner that allows for easy retrieval, searching, identification, categorization and determination of destruction date, including appropriate labeling, container demarcation and storage in a safe, secure and accessible environment. LACAHSA may contract for appropriate and compliant digital and/or physical storage services to retain and archive LACAHSA records.

### A. <u>Subject to Litigation or Other Legal Hold or CPRA Request</u>

LACAHSA should not destroy any record where a Litigation or Legal Hold has been issued by LACAHSA legal counsel or where the record is the subject of a CPRA Request. All inquiries regarding Litigation or Legal Hold or Public Records Requests should involve LACAHSA legal counsel.

A Litigation or Legal Hold should be put in place from the moment litigation is reasonably anticipated, which can be any time before the filing of a complaint in court. Litigation includes administrative hearings. Once litigation is anticipated, LACAHSA has a duty to suspend its routine document retention/destruction policy and put in place a “Litigation Hold” to ensure the preservation of potentially relevant documents including electronically stored information (“ESI”); in other words, there is a duty to preserve evidence which one knows or reasonably should know is relevant to the anticipated litigation.

A CPRA Request is a request from someone who is seeking copies of records in the possession or control of LACAHSA. Once a CPRA Request has been received, LACAHSA should refrain from any records destruction relating to the subject matter of the request until notified by LACAHSA legal counsel or CEO to proceed with the normal destruction schedule. There are responsive deadlines set out in the law for responding to a request for records and any decision to deny access to such records (in whole or in part) must be justified by demonstrating that the record in question is exempt under express provisions of the CPRA , or by demonstrating that, on the facts of the particular case, the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record. (Government Code section 7922.000.) Please consult with LACAHSA legal counsel on CPRA Requests.

### B. Holds an Administrative or Fiscal Value

An official public record may be retained past its minimum retention period for operational purposes where the CEO or LACAHSA Board has determined that the record meets an administrative or fiscal need.

### C. Holds an Historical or Archival Value

Official public records may also be retained past their retention period where they hold archival or historic value; by way of example, but not limitation, such records may be determined by the CEO or by the LACAHSA Board to contain information of continuing and enduring value to LACAHSA, provide valuable research data, or document the history and development of LACAHSA.

Archived records may be in any format and media, including paper, electronic, photographs, motion picture film, videos, and sound recordings.

### D. Retention of Vital Records

A vital record is essential for the ongoing operation of LACAHSA business. Vital records are those records that contain information critical to the operation of LACAHSA and require immediate recovery and access during or immediately following a natural disaster or other event disrupting normal operations. Such records include, but are not limited to, those that contain information protecting LACAHSA's legal/financial interests or status.

Vital records should be identified by the CEO, with help from LACAHSA legal counsel, and should be included as part of LACAHSA's disaster recovery and business continuity planning.

Necessary steps should be taken to protect and safeguard those records to ensure availability.

## V. CONTRACTED SERVICES THAT STORE OFFICIAL LACAHSA RECORDS AND NON-RECORDS

The LACAHSA records retention schedule, as set out below, applies to all ESI (as defined above), and all records, data and/or information (regardless of medium) that may be stored or purchased, leased, or rented including electronic storage equipment or devices that are geographically located within or external to the geographical boundaries of Los Angeles County.

The CEO shall ensure that all LACAHSA contracts contain prescriptive language to ensure that contractors maintain, process, and (where applicable) store LACAHSA records in a manner that ensures such data and information is appropriately retained and destroyed in accordance with this Policy, and applicable laws.

LACAHSA contractors must also dispose of non-records (as defined above) as instructed by the CEO or as otherwise set out in the LACAHSA contract, consistent and in compliance with this Policy and applicable laws.

## VI. POLICY EXCEPTIONS

There are no exceptions to this Policy.

## VII. EFFECTIVE DATE

This Policy shall be effective on the date that it is adopted and approved by the LACAHSA Board.

# RECORDS RETENTION SCHEDULE

| Type | Title | Retention Period |
|---|---|---|
| **ADM** | **Administration** | |
| | Correspondence | |
| | -Non-Member | 3 years |
| | -Board Member | 7 years |
| | -Policy and Procedures | Permanent |
| | -Accreditation | Permanent |
| **CON** | **Contracts** | |
| | Agreements and Contracts | 7 years following end of contract |
| **AF** | **Annual Filings** | 5 years from date of filing |
| E | Ethics | |
| | Conflict of Interest (COI) Opinions | Permanent |
| | COI Letters/Correspondence | Permanent |
| | COI Complaints/Related | Permanent |
| | Annual Filings (e.g. Form 700) | Permanent |
| **BC** | **Board/Committees** | |
| | Meeting Notes | 5 years |
| | Minutes - Committees | Permanent |
| | Resolutions | Permanent |
| **BOD** | **Governing Board** | |

| Type | Title | Retention Period |
|---|---|---|
| | Agendas | Permanent |
| | Meeting Notes | 5 years |
| | Meeting Notices | Permanent |
| | Minutes of Board Meetings | Permanent |
| | Resolutions | Permanent |
| **MEM** | **Membership** | |
| | Member Records | Permanent |
| | Appointments, Nominations (e.g. Letters & Resolutions) | Permanent |
| **ELE** | **Officer Elections** | |
| | General | Permanent |
| **FIN** | **Financial (Retained by CEO and/or LACAHSA-appointed fiscal agent** | |
| | Accounts Payable | Current + 7 years |
| | -Correspondence | |
| | -A/P Distributions Journal | |
| | -Cash Disbursements | |
| | -Expense Reports | |
| | -Invoices | |
| | Accounts Receivable | Current + 7 years |

| Type | Title | Retention Period |
|---|---|---|
| | -A/R Register | |
| | -Aged Trial Balance | |
| | -Invoices | |
| | | |
| | Audit Reporting | Current + 7 years |
| | -Correspondence/Workpapers | |
| | -Reports | |
| | -State Controller's Report | |
| | | |
| | Banking | Current + 7 years |
| | -Correspondence | |
| | -Bank Confirmations | |
| | -Bank Reconciliations | |
| | -Bank Statements | |
| | -Canceled and Voided Checks | |
| | -Deposit Slips | |
| | -Signature Authorizations | |
| | | |
| | Financial Reporting | Current + 7 years |
| | -Correspondence | |
| | -Reports and Studies | |
| | -Chart of Accounts | |
| | Ledgers | Current + 7 years |
| | -Account Analysis | |

| Type | Title | Retention Period |
|---|---|---|
| | -Balance Sheets | |
| | -General Ledger | |
| | -Journal Entries | |
| **INS** | **Insurance (Where Applicable)** | |
| | Memorandum of Coverage | Permanent |
| | Insurance Policies | Permanent |
| | Endorsements | Permanent |
| | Premium Deposit Determination | Permanent |
| | Retrospective Ratings | Permanent |
| | Claims Audits | Permanent |
| | Actuarial Studies | Permanent |
| | Underwriting Files | Permanent |
| | Certificates of Insurance | Permanent |
| **LGL** | **Legal (Retained with LACAHSA legal counsel and/or CEO)** | |
| | General Correspondence | Permanent |
| | Attorney Correspondence | Permanent |
| | Conflicts of Interest Code | Permanent |
| | Conflict of Interest Statements | Permanent |
| | All Claims Documents | 7 years (from closure) |
| | Litigation | 7 years after litigation is concluded |

| Type | Title | Retention Period |
|---|---|---|
| | Claims involving minors | 3 years from age of 18 or 7 years, which ever is longer (from closure) |
| | Opinions | Permanent |
| | Loss Runs | Current + 7 years |
| **MIS** | **Miscellaneous** | Permanent until reclassified |

## CHARTER FOR EXECUTIVE COMMITTEE

(2026/2027 Fiscal Year)

**Purpose**: The Los Angeles County Regional Housing Finance Act provides that the Los Angeles County Affordable Housing Solutions Agency ("LACAHSA" or the "Agency") may establish an executive committee in order to assist in making rules and regulations for transacting the Agency's business. The Executive Committee performs a key role in overseeing the operations and financial performance of the Agency.

**Responsibilities**: The Executive Committee shall:

- *Review and provide input on LACAHSA's financial policies, including but not limited to reserve policies, debt policies, investment policies, audit policies, and policies related to budgeting.*
- *Advise the Board and staff on matters related to LACAHSA 's administrative budget and planned operational expenditures.*
- *Review programmatic budgets and monitor programmatic expenditures.*
- *Receive reports on the financial health of the agency and on the status of budgets to actuals.*
- *Make recommendations to the Board on non-financial operational and administrative considerations that are within the Board's purview.*
- *Recommend strategic direction for the Agency and maintain the Agency's mission-focused approach.*
- *Review Board agendas in advance of Board meetings and provide leadership in both long-term and near-term planning for Board action items.*
- *Advise the Board on LACAHSA's legislative platform and strategy.*
- *Monitor potential changes in state, federal and local laws and regulations that impact LACAHSA or LACAHSA's mission.*
- *Assist in efforts related to advocating or lobbying on behalf of LACAHSA's interests and engaging or convening representatives in federal or state governments.*
- *Oversee the use of LACAHSA's public funds for outreach, informational and advocacy efforts.*
- *Recommend policy positions for the Board's consideration.*
- *Perform such other duties and responsibilities as directed by the Board.*

**Composition**: The Executive Committee consists of seven members. It shall be comprised of the following makeup:

1. The Board Chair;
2. The Board Vice Chair;
3. The Board Second Vice Chair;
4. The Chair of the Citizens' Oversight Committee;
5. The Chair of the Investment Review Committee;
6. The Chair of Renter Protections and Homelessness Prevention Committee; and
7. The Chair of the Regional Coordination Committee.

A Board member's appointed Board Alternate may participate in the Executive Committee meetings in place of the Board member.

**Appointment and Term**: All appointments to the Executive Committee are ex officio. Committee members remain in their seat until replaced; that is, the term does not end at the of the fiscal year, but rather when the Board or respective committee appoints a new officer to the respective position.

**Vacancies**: In the event a seat becomes vacant, the seat will remain vacant until the appointing Board or committee fills the office.

**Operational Structure**: The CEO, or other executive-level staff members designated by the CEO, shall staff and administer Executive Committee meetings and prepare the Executive Committee agenda. The Board Clerk shall keep minutes of the Committee and shall maintain official records of the Executive Committee.

**Meeting Procedures**: The Executive Committee is a standing committee subject to the Ralph M. Brown Act. In the event that the Chair is absent, the Vice Chair (and then the Second Vice Chair) shall conduct the meeting. The Executive Committee will meet monthly at a regular day and time. The Executive Committee may use teleconferencing in accordance with the Ralph M. Brown Act. The chair of the meeting shall resolve all issues of procedure. A majority of the Executive Committee members constitutes a quorum. A majority of a quorum present and voting on a matter shall constitute action of the Executive Committee.

In the event that a quorum is not present, the Executive Committee may proceed with a meeting as a subcommittee of the RCC, provided that the meeting continues in strict compliance with the Ralph M. Brown Act and no formal action is taken. The Board may establish additional rules of procedure, including procedures related to conducting virtual meetings.

## CHARTER FOR INVESTMENT REVIEW COMMITTEE

(2026/2027 Fiscal Year)

**Purpose**: The Los Angeles County Regional Housing Finance Act requires the Board of the Agency to approve the allocation of regional housing revenues to projects and programs. A portion of LACAHSA's regional housing revenues is used to fund projects and programs to produce new affordable housing units, preserve existing affordable housing stock, convert other residential uses to affordable housing, and encourage ownership of affordable units, which are collectively referred to as "PPO". The Investment Review Committee will consider LACAHSA's investments in projects and programs to meet these objectives and will advise the Board on approval and implementation of PPO investments.

**Responsibilities**: The IRC shall:

- *Advise the Board on investment strategy, including the use of LACAHSA funds and pass-through funds to achieve the Agency's goals in producing and preserving affordable housing units.*

- *Advise the Board on strategies to leverage LACAHSA 's regional housing revenues to increase the amount of funding available to produce and preserve housing.*

- *Make recommendations to the Board on development of LACAHSA-funded programs for affordable housing.*

- *Consider applications from eligible jurisdictions and other potential recipients for LACAHSA to fund projects using the PPO allocation.*

- *Recommend projects for the Board to fund with the PPO allocation.*

- *Consider requests from eligible jurisdictions as to whether a proposed expenditure is an eligible use of LACAHSA 's PPO allocation.*

- *Review, from time-to-time, the Board's adopted metrics and LACAHSA's progress toward achieving those metrics, including identification of programs or projects that succeed or fail in delivery toward the metrics.*

- *Vet and propose innovative ideas and concepts to the Board that can be funded through the PPO allocation.*

- *Perform such other duties and responsibilities as directed by the Board.*

**Composition**: The IRC consists of seven members and two alternates. It shall be comprised of the following makeup:

1. The Board Chair, or an at-large appointee of the Board Chair;
2. A representative of the City of Los Angeles;
3. A representative of the County of Los Angeles;
4. A representative of another city, the regional sectors or the small cities;
5. The Board member in the expert seat for housing production;
6. The Board member in the expert seat for housing preservation;
7. A member of the Citizens' Oversight Committee.

The two alternates shall be Board members appointed at-large. A Board member's appointed Board Alternate may attend the IRC meetings in place of the Board member.

**Appointment and Term**: The Board Chair shall appoint the seven members and two (2) at large-alternates. Appointments shall be made annually and as soon as practicable following the election of the Board Chair. The Board Chair shall announce the appointments at a Board meeting. An appointment may be overridden by majority action of the Board.

**Vacancies**: The Chair shall fill any vacancies on the IRC as soon as possible. The Chair may replace an IRC member for failing to consistently attend IRC meetings. IRC members may resign at any time.

**Operational Structure**: With oversight from the CEO, the Managing Director of Investments shall staff and administer IRC meetings and shall prepare the IRC agenda. The Board Clerk shall keep minutes of the Committee and shall maintain official records of the IRC.

**Meeting Procedures**: The IRC is a standing committee subject to the Ralph M. Brown Act. The IRC shall select a chair and vice chair from among its members. The IRC will meet monthly at a regular day and time. The IRC may use teleconferencing in accordance with the Ralph M. Brown Act. The Committee chair shall resolve all issues of procedure. A majority of the IRC members constitutes a quorum. A majority of a quorum present and voting on a matter shall constitute action of the IRC.

In the event that a quorum is not present, the IRC may proceed with a meeting as a subcommittee of the IRC, provided that the meeting continues in strict compliance with the Ralph M. Brown Act, and no formal action is taken.

The Board may establish additional rules of procedure, including procedures related to conducting virtual meetings.

**Caveats**: The IRC is responsible for investments that constitute expenditures in furtherance of LACAHSA’s mission and purpose. The IRC does not advise on passive investments, such as the investment of surplus funds or use of reserves.

# CHARTER FOR RENTER PROTECTIONS & HOMELESSNESS PREVENTION COMMITTEE

(2026/2027 Fiscal Year)

**Purpose**: The Los Angeles County Regional Housing Finance Act requires the Board of the Agency to approve the allocation of regional housing revenues to tenant protections and support services in order to prevent residents of Los Angeles County from falling into homelessness, referred to as Renter Protection and Homelessness Prevention ("RPHP") funds. The Renter Protections & Homelessness Prevention Committee ("RPHPC") will consider LACAHSA's funding of projects and programs to meet these objectives and will advise the Board on the use of RPHP allocations.

**Responsibilities**: The RPHPC shall:

- *Advise the Board on LACAHSA's strategy for implementing renter protection and support programs.*
- *Advise the Board on strategies to leverage LACAHSA 's regional housing revenues to achieve the best outcomes for individuals at-risk of homelessness throughout Los Angeles County.*
- *Consider coordinated efforts among eligible jurisdictions, and other public entities, stakeholders, and service providers.*
- *Consider applications from eligible jurisdictions and other potential recipients for LACAHSA to fund programs using the RPHP allocation.*
- *Develop factors to consider in reviewing funding requests and recommend programs for the Board to fund with the RPHP allocation.*
- *Consider requests from eligible jurisdictions as to whether a proposed expenditure is an eligible use of LACAHSA 's RPHP allocation.*
- *Analyze results from existing programs to determine efficacy of the programs and the number of individuals or households prevented from falling into homelessness.*
- *Review, from time-to-time, the Board's adopted metrics and LACAHSA's progress toward achieving those metrics, including identification of programs or projects that succeed or fail in delivery toward the metrics.*
- *Vet and propose innovative ideas and concepts to the Board that can be funded through the RPHP allocation.*
- *Perform such other duties and responsibilities as directed by the Board.*

**Composition**: The RPHPC consists of seven members and two alternates. It shall be comprised of the following makeup:

1. The Board Chair, or an at-large appointee of the Board Chair;
2. A representative of the City of Los Angeles;
3. A representative of the County of Los Angeles;
4. A representative of the other cities, regional sectors or the small cities;
5. The Board member in the expert seat for renter protection and support;
6. A member of the Citizens' Oversight Committee; and
7. An outside expert (a member of the community with expertise in renter protections and support).

The two alternates shall be Board members appointed at-large. A Board member's appointed Board Alternate may attend the RPHPC meetings in place of the Board member.

**Appointment and Term**: The Board Chair shall appoint the seven members and two alternates annually and as soon as practicable following the election of a the Board Chair. The Board Chair shall announce the appointments at a Board meeting. An appointment may be overridden by majority action of the Board.

**Vacancies**: The Chair shall fill any vacancies on the RPHPC as soon as possible. The Chair may replace a RPHPC member for failing to consistently attend RPHPC meetings. At-large RPHPC members may resign at any time.

**Operational Structure**: With oversight from the CEO, the Chief of Programs shall staff and administer RPHPC meetings and shall prepare the RPHPC agenda. The Board Clerk shall keep minutes of the Committee and shall maintain official records of the RPHPC.

**Meeting Procedures**: The RPHPC is a standing committee subject to the Ralph M. Brown Act. The RPC shall select a chair and vice chair from among its members. The RPC will meet monthly at a regular day and time. The RPHPC may use teleconferencing in accordance with the Ralph M. Brown Act. The chair of the Committee shall resolve all issues of procedure. A majority of the RPHPC members constitutes a quorum. A majority of a quorum present and voting on a matter shall constitute action of the RPHPC.

In the event that a quorum is not present, the RPHPC may proceed with a meeting as a subcommittee of the RPHPC, provided that the meeting continues in strict compliance with the Ralph M. Brown Act, and no formal action is taken.

The Board may establish additional rules of procedure, including procedures related to conducting virtual meetings.

## CHARTER FOR REGIONAL COORDINATION COMMITTEE

(2026/2027 Fiscal Year)

**Purpose**: The Los Angeles County Regional Housing Finance Act provides that a multistakeholder countywide agency is necessary to help address the housing crisis in Los Angeles County, including by providing staff support to local jurisdictions that require capacity or technical assistance to expedite the production and preservation of housing, as well as monitoring and reporting on progress on a countywide basis. To this end, the Act requires the Board to allocate regional housing revenues to technical assistance, research and policy development, and a share of LACAHSA's programmatic funds must be allocated to technical assistance for small cities. Small cities are defined by the Act as a city with a population of less than 50,000. The Regional Coordination Committee ("RCC") will engage regional stakeholders including small cities and seek to further LACAHSA's ability to convene, support, and fund to meet these objectives.

**Responsibilities**: The RCC shall:

- *Advise the Board on LACAHSA 's strategy for implementing the Technical Assistance (TA) program.*
- *Advise the Board on strategies to leverage LACAHSA's regional housing revenues to support and benefit cities in their efforts to encourage the production or preservation of affordable housing, implementation of ownership programs, or tenant protect and homeless prevention strategies.*
- *Consider coordinated efforts among eligible jurisdictions, cities, and other public entities, stakeholders, and service providers.*
- *Consider applications from eligible jurisdictions and other potential recipients for LACAHSA to fund programs using General Technical Assistance and Technical Assistance for Small Cities allocations.*
- *Develop factors to consider in reviewing funding requests and recommend programs for the Board to fund with the General TA and TA for Small Cities*
- *Hear appeals related to whether a proposed expenditure is an eligible use of the eligible jurisdiction's TA allocation.*
- *Advise on strategic convenings of cities and other stakeholders related to efforts to increase affordable housing or prevent homelessness.*
- *Analyze results from existing programs to determine efficacy of the programs.*
- *Review, from time-to-time, the Board's adopted metrics and LACAHSA's progress toward achieving those metrics, including identification of programs or projects that succeed or fail in delivery toward the metrics.*

- *Vet and propose innovative ideas and concepts to the Board that can be funded through the technical assistance and small cities allocations.*

- *Perform such other duties and responsibilities as directed by the Board.*

**Composition**: The RCC consists of five members and two alternates. It shall be comprised of the following:

1. The small cities representative, or if the small cities representative declines to participate or is replaced (pursuant to this Charter), then a representative of the regional sectors;

2. A representative of the regional sectors;

3. An at-large representative;

4. An at-large representative from a different constituency than position 3; and

5. An at-large representative from a different constituency than positions 3 and 4.

For purposes of positions 3 – 5, the constituencies shall be the County of Los Angeles, the City of Los Angeles, the City of Long Beach, the regional sectors, and the expert representatives. Whichever constituencies are not represented in positions 3 through 5 shall be offered the alternate positions, which shall otherwise be selected at-large from among the Board members. A Board member's appointed Board Alternate may attend the RCC meetings in place of the Board member.

**Appointment and Term**: The Board Chair shall appoint the five members and two alternates annually and as soon as practicable following the election of the Board Chair. The Board Chair shall announce the appointments at a Board meeting. An appointment may be overridden by majority action of the Board.

**Vacancies**: The Chair shall fill any vacancies on the RCC as soon as possible. The Chair may replace a RCC member for failing to consistently attend RCC meetings. RCC members may resign at any time.

**Operational Structure**: With oversight from the CEO, the Chief Engagement and Intergovernmental Relations Officer shall staff and administer RCC meetings and shall prepare the RCC agenda. The Board Clerk shall keep minutes of the Committee and shall maintain official records of the RCC.

**Meeting Procedures**: The RCC is a standing committee subject to the Ralph M. Brown Act. The RCC shall select a chair and vice chair from among its members. The RCC will meet monthly at a regular day and time. The RCC may use teleconferencing in accordance with the Ralph M. Brown Act. The chair of the Committee shall resolve all issues of procedure. A majority of the RCC members constitutes a quorum. A majority of a quorum present and voting on a matter shall constitute action of the RCC.

In the event that a quorum is not present, the RCC may proceed with a meeting as a subcommittee of the RCC, provided that the meeting continues in strict compliance with the Ralph M. Brown Act and no formal action is taken.

The Board may establish additional rules of procedure, including procedures related to conducting virtual meetings.