OCII
office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE

107-0612021-002

Agenda Item **No. 5(c)**
Meeting of December 7, 2021

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Sally Oerth, Interim Executive Director

SUBJECT: Approving the State Treasurer's form of resolution authorizing the investment of monies in the Local Agency Investment Fund

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EXECUTIVE SUMMARY

California Government Code 16429.1 established the Local Area Investment Fund ("LAIF") to provide California local governments and special districts with access to a large and diverse portfolio of investments and is managed by the State Treasurer. In 2007 the San Francisco Redevelopment Agency ("SFRA") Commission authorized the investment of SFRA funds in the LAIF. After Redevelopment Dissolution, the OCII Commission approved an Investment Policy in 2014 which includes a list of permitted investments that includes LAIF. Under the terms of a 2020 Memorandum of Understanding, the City and County of San Francisco, the Treasurer Tax Collector ("TTX") invests cash held by OCII. TTX has analyzed OCII's portfolio and recommends that OCII invest some of its funds in the Local Agency Investment Fund ("LAIF"). The State Treasurer has requested that OCII adopt an updated resolution re-affirming OCII's interest in depositing funds in LAIF and confirming the OCII staff that are authorized to order deposit or withdrawal of funds.

Staff recommends the Commission approve the proposed resolution authorizing investment of local monies in LAIF.

DISCUSSION

OCII funds held in trust include bond funds, debt service required under bond indentures, and property tax generated in the Mission Bay North and South Project Areas. The best practice is to invest cash-on-hand to generate investment income. LAIF is an investment fund established by Government Code 16429.1 and managed by the California State Treasurer to provide California local governments and special districts with access to a large and diverse portfolio of investments the entities could not access on their own.

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Entities who wish to utilize LAIF must pass a resolution authorizing investment of monies in LAIF. The San Francisco Redevelopment Agency ("SFRA") Commission passed such a resolution on May 15, 2007 (Resolution 46-2007) and last invested in LAIF January 30, 2012. After the dissolution of SFRA, the OCII Commission authorized an OCII Investment Policy on August 19, 2014 (Resolution No. 73-2014). The Investment Policy provides guidance and standards for investments of OCII funds and includes a list of permitted investments. LAIF is named as one of those permitted investments.

In 2020, the Commission approved, by Resolution No. 13-2020 (June 16, 2020), a Memorandum of Understanding between the Office of Community and Infrastructure and the City and County of San Francisco, Treasurer Tax Collector ("TTX") whereby the Treasurer provides investment management, administration, and other related financial services specific to OCII funds as requested and agreed upon by OCII and consistent with OCII's permitted investments and Investment Policy. TTX has analyzed OCII's portfolio and recommends that OCII invest some of its funds in LAIF.

The State Treasurer's Office has requested that the OCII Commission adopt an updated resolution re-affirming OCII's interest in depositing funds with the LAIF and confirming which employees are authorized to order the deposit or withdrawal of funds in the LAIF. Specifically, OCII employees holding the titles of Executive Director, Deputy Director of Finance and Administration, and Debt Manager are authorized to order the deposit or withdrawal of monies in the LAIF.

NEXT STEPS

Upon the Commission's approval of Resolution 42-2021, the Commission Secretary will certify the resolution authorizing investment of local monies in LAIF and OCII will submit it to the State Treasurer.

(Originated John Daigle, Debt Manager)

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Sally Oerth

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Sally Oerth
Interim Executive Director