

**Application for Participation by Quasi-Governmental Agency:
Delta Community Developers Corp.**

LIAB Regular Meeting

February 19, 2020

ISSUE

Is Delta Community Developers Corp. a qualified “quasi-governmental agency” eligible to invest funds in the Local Agency Investment Fund (LAIF)?

BAKGROUND

The purpose of this memo is to address whether Delta Community Developer’s Corp. qualifies to participate in LAIF as a quasi-governmental agency. Government Code section 16429.1, subdivision (g), provides that the Local Investment Advisory Board shall determine those quasi-governmental agencies which qualify to participate in LAIF.

ANALYSIS

The State Treasurer's Office has implemented a six-factor test to assist in determining whether an entity is a quasi-governmental agency. Delta Community Developers Corp.’s eligibility as a quasi-governmental agency is analyzed under the test as set forth below based on the information provided by the Agency.

SEE ATTACHED

LAIF Quasi-Governmental Agency Assessment

Government Code § 16429.1(g)

Entity Name: Delta Community Developers Corp.

Entity Type: Nonprofit Corporation
 Political Subdivision
 Other: Specify

As specified in section 16429.1(g), the Local Investment Advisory Board shall determine those quasi-governmental agencies, which qualify to participate in the Local Agency Investment Fund. An entity is a "quasi-governmental agency" within the meaning of Government Code section 16429.1(g) if there is an affirmative response to each of the questions below. The Board must then exercise its discretion to determine whether the quasi-governmental agency should be permitted to participate in LAIF.

1. **Is the entity's governing body comprised of:**
 - a. only public officials or Yes No
 - b. both public officials and private persons? Yes No

2. **Does the entity recognize a local governmental purpose or carry out a function of local government?** Yes No

If yes, what is the governmental purpose or function?
Develop and provide low income housing and provide enterprenuerial education to the residents of San Joaquin County (SJC).

3. **Are the net earnings of the entity irrevocably dedicated to the State, a local governmental agency, or a political subdivision?** Yes No

Comment: Assets are dedicated to non profit however are surrendered to SJC Housing Authority upon dissolution of non-profit.

4. **Did the State, a local governmental agency, or a political subdivision, approve the members, if any, and officers of the entity?** Yes No

Comment: There are no members, however officers are chosen from Board of Commissioners for the SJC Housing Authority.

5. **Are meetings of the entity's governing body open to the public?** Yes No

Comment: Posted to their website.

6. **Does the State, a local agency, or a political subdivision thereof, approve the methods of financing or investment by the entity?** Yes No

Comment: However, the DCDC board approves and they are chosen from the SJC Housing Authority.

A political subdivision is a separate legal governmental entity of the State that has specific governmental functions, such as a county, city, town, school district, or sanitation, utility, reclamation, drainage, flood control, or similar district.