STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3050 • Sacramento, CA 95811

June 22, 2026

Adam B. Eliason
Gateway Cities Affordable Housing Trust
Trust Manager
1 League #62335
Irvine, CA 92602

Re: Your Request for Advice
Our File No. A-26-061

Dear Mr. Eliason:

This letter responds to your request for advice on behalf of the Gateway Cities Affordable Housing Trust ("Housing Trust") regarding the statement of economic interests filing provisions of the Political Reform Act (the "Act").[1]

Please note that we are not a finder of fact when rendering advice (*In re Oglesby* (1975) 1 FPPC Ops. 71), and any advice we provide assumes your facts are complete and accurate. If this is not the case or if the facts underlying these decisions should change, you should contact us for additional advice.

QUESTIONS

Are the following Housing Trust board members or employees a "public official who manages public investments" subject to disclosure under Section 87200 and filing under Section 87500, where each position has the following duties:

1. Members of the Housing Trust Board, where the Board approved a general investment policy (placing funds in the Local Agency Investment Fund ("LAIF")) but do not participate in ongoing investment decisions or transactions?

2. The Housing Trust Manager, who implements Board-approved policies and executes LAIF fund transfers for operational and programmatic purposes?

3. The Housing Trust Treasurer, who performs accounting, reporting, and bank account oversight functions?

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[1] The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18104 through 18998 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

CONCLUSIONS

1. Because the Board members have adopted a formal investment policy, the members of the Housing Trust Board are public officials who manage public investments and, as such, must now file their individual Statements of Economic Interests directly and electronically with the Commission.

2. & 3. Based on the facts provided, which state that neither official has independent authority to direct or alter investment strategy, the Housing Trust Manager and the Housing Trust Treasurer do not meet this definition.

FACTS AS PRESENTED BY REQUESTER

The Housing Trust is a joint powers authority ("JPA") formed in 2023, with twenty-one cities as members, to help address housing needs in Los Angeles County.

Housing Trust Board of Directors

The Housing Trust is governed by a Board of Directors composed of elected officials from member agencies and two housing specialists. The Trust Board approves policies, including an investment policy and an accounting policy. The Housing Trust Board's Chair and Vice Chair both have access to the Housing Trust investment account. The Housing Trust Board has adopted a formal investment policy with the following characteristics:

- All Trust investment funds are placed exclusively in the LAIF, a State of California-managed investment pool.
- The Housing Trust does not independently manage or direct investment strategies beyond this policy.
- The Housing Trust Board does not engage in ongoing investment decision-making, asset allocation, or approval of individual investment transactions.
- The LAIF manages all day-to-day investment activity.

Financial Operations

In addition to the LAIF investment account, a separate bank account is maintained for operational purposes. Funds are transferred from LAIF to the bank account as needed to pay invoices and operating expenses, as well as to fund loans to affordable housing developers consistent with Board-approved programs. The Housing Trust also receives grant funds, which are deposited into either the LAIF account or the bank account depending on timing and use. These activities are carried out by the Housing Trust Manager and Treasurer in accordance with Board-approved policies and budgets. Neither role has independent authority to direct or alter investment strategy.

Housing Trust Manager

The Housing Trust Manager is a consultant, responsible for the administrative implementation, coordination, and execution of Trust Board-approved actions. In a follow-up email, you provided additional details about the role of the Trust Manager. You explained that the Trust manager may move funds from LAIF to the bank account for two reasons: when the Trust provides a loan to a project, or the account balance is low and requires additional operating funds. You also explained that grant funds received into the bank account will be moved into the LAIF account.

The Housing Trust's Accounting & Finance Policies establish a multi-step process for transferring funds between the Housing Trust's operating account and its LAIF investment account. The Trust Treasurer monitors account balances and cash flow and recommends when transfers should occur in order to maximize interest earnings and ensure sufficient operating liquidity. The recommendation is made to the Housing Trust Manager. Any transfer then requires approval by both the Housing Trust Board Chair and Vice Chair before it can be processed. Once approved, the Trust Treasurer processes the transfer and provides documentation to the Housing Trust Board Chair and Vice Chair. Additionally, Housing Trust policy requires that grant funds deposited into the operating account be transferred to the LAIF investment account within two weeks of deposit.

Therefore, transfers are not authorized by a single individual. The process involves the Housing Trust Treasurer, Housing Trust Manager, and the approval of both the Housing Trust Board Chair and Vice Chair pursuant to the Housing Trust's adopted Accounting & Finance Policies. In practice, when grant funds are received into the operating account, Housing Trust policy already directs that those funds be transferred into the LAIF investment account within two weeks because the operating account is not intended to hold significant idle balances.

Housing Trust Treasurer

The Housing Trust Treasurer serves as the Accountant/CPA of the Housing Trust , who is responsible for accounting, financial reporting, and oversight of the Housing Trust's bank account. You also provided additional details about the role of the Housing Trust Treasurer and the movement of funds into the Trust bank account. You state that the Housing Trust Treasurer has access to the Housing Trust bank account; but does not have access to initiate transfers from the LAIF account. She has access to the Trust bank account primarily for accounting review and reconciliation purposes associated with her Treasurer/Accounting responsibilities. Funds are generally transferred from LAIF to the bank account only as needed to meet approved Trust expenditures, project disbursements, or operational obligations. Excess funds are typically maintained in the LAIF account in order to maximize interest earnings on undisbursed funds. The actual movement of funds is limited (generally approximately once per month or less) and generally handled by the Housing Trust Manager. Excess funds are typically maintained in the LAIF account in order to maximize interest earnings on undisbursed funds.

ANALYSIS

Disclosure of Financial Interests:

The Act requires public officials to disclose specified financial interests that may present a conflict of interests in a governmental decision. (See Sections 87100 through 87105, General Prohibitions; Sections 87200 through 87211, Disclosure; and 87300 through 87314, Conflict of Interest Codes.) Public officials who are designated employees or are enumerated in Section 87200 have disclosure obligations under the Act, and must file annual statements of economic interests ("SEIs") disclosing these interests.

Section 87200 lists those officials with the broadest decision-making authority, including certain high-ranking local officials like the members of City Councils, mayors, city treasurers, city managers, and public officials who manage public investments, and imposes on them the broadest disclosure requirements under the Act. Section 87500 requires certain categories of filers to file online using the FPPC's electronic filing system, including "a public official who manages public investments. (Section 87500(a)(2)(O).)

"Other Public Officials Who Manage Public Investments"

At issue in this matter is whether certain positions with the Housing Trust, its Board members, Trust Manager and Trust Treasurer are "public officials who manage public investments" for purposes of Section 87200, and thereby have the broadest level of disclosure and must file their SEIs electronically with the Commission.

First, "public investments" is defined as "the investment of public moneys in real estate, securities, or other economic interest for the production of revenue or other financial return." (Regulation 18700.3(c).) Moreover, "public money" is defined as "all money belonging to, received by, or held by, the state or any city, county, town, district, or public agency therein, or by an officer thereof acting in the officer's official capacity...." (Regulation 18700.3(d).) The "management of public investments" means the following functions: directing the investment of public moneys; formulating or approving investment policies; approving or establishing guidelines for asset allocations; or approving investment transactions. (Regulation 18700.3(e).) It does not include "ministerial" functions; i.e., those that are solely secretarial or clerical. (*Ibid* and see Regulation 18704(d)(1) for a definition of "ministerial in the conflict of interest context.) Under these definitions, the "management of public investments" is not limited to active portfolio management, but includes any economic interest invested in for the production of revenue or other financial return.

Regulation 18700.3 states that two types of public officials meet this classification. First, this classification applies to board or commission members who exercise responsibility for managing public investments. (Regulation 18700.3(b)(1)(A).) Second, the classification applies to high-level officers and employees of public agencies who exercise primary responsibility for managing public investments, such as chief or principal investment officers or chief financial managers. (Regulation 18700.3(b)(1)(B) and (C).) However, this category is narrowly construed and does not include officers and employees who work under the supervision of the chief or principal investment officers or the chief financial managers. Regulation 18700.3 extends the classification (and the exception for supervised employees) to independent contractors who perform the same functions as a high-level officer or employee of a public agency. (Regulation 18700.3(b)(1)(C).)

As a result, the broad definition of "management of public investments" reaches those public officials who direct the investments of public funds, formulate or approve policies for the investment of these funds, as well as the officials who determine what investments to purchase or sell and when to do so. Where a board of directors sets an investment policy, and staff members make decisions on the timing of the investments pursuant to that policy, the board members and the staff members are public officials who manage public funds. We have previously advised that a water authority's treasurer and accountant are public officials who manage public investments where the officials are responsible for receiving and transferring the agency's funds and for determining the timing of moving funds into the local agency investment fund, as are the board of directors for the agency who are authorized to set the policy decision to place the agency's funds in the investment fund. (*Rathmann* Advice Letter, No. A-95-122).

Housing Trust Board Members

In this case, the Housing Trust Board members approve policies, including an investment policy and accounting policy, concerning the money held by the Housing Trust. The Housing Trust Board has adopted a formal investment policy, under which all Trust investment funds are placed exclusively in the LAIF, which is intended to produce revenue or other financial return. Accordingly, the members of the Housing Trust Board are public officials who manage a public investment under Regulation 18700.3 and must now file SEIs directly and electronically with the Commission pursuant to Section 87500(a)(2)(O).

Housing Trust Manager and Housing Trust Treasurer

Neither the Housing Trust Manager nor the Housing Trust Treasurer has authority to direct or alter investment strategy. The Housing Trust Manager is responsible for the administrative implementation, coordination, and execution of Board-approved actions, and may only move funds from the LAIF to the bank account for two reasons: when the Housing Trust is providing a loan to a project, or the account balance is low and additional funds are needed to meet approved Trust expenditures, project disbursements, or operational obligations. You state that the Housing Trust Manager has the authority for transferring funds, but that any transfer requires approval by both the Housing Trust Board Chair and Vice Chair before it can be processed. The Housing Trust Treasurer has access to the Housing Trust bank account for accounting review and reconciliation purposes, but cannot initiate transfers from the LAIF account.

The definition of "management of public investments" reaches those public officials who direct the investments of public funds, formulate or approve policies for the investment of these funds, as well as the officials who determine what investments to purchase or sell and when.[2]

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[2] You have also asked whether specific activities, including paying invoices from an operating bank account, transferring funds from LAIF to a bank account to fund approved loans, and depositing grant funds into

Based on the facts presented, neither the Housing Trust Manager nor the Housing Trust Treasurer meet the definition of "public officials who manage public investments."

If you have other questions on this matter, please contact me at znorton@fppc.ca.gov.

Sincerely,

Dave Bainbridge
General Counsel

Zachary W. Norton

By: Zachary W. Norton
Senior Counsel, Legal Division

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Trust accounts, constitute the "management of public investments" under Regulation 18700.3(e). In light of our consideration of the specific positions discussed above, we need not consider whether, in isolation, any single act meets this definition.