September 10, 2019

To: Sacramento County Pooled Investment Fund Participants

Subject: COMMUNITY REINVESTMENT ACT PROGRAM UPDATE

The County’s Community Reinvestment Act (CRA) Program was designed to make deposits with banks active in the local community without sacrificing the mandate to meet those objectives. To encourage banks to be active in supporting the community, the Sacramento County Board of Supervisors (The Board) adopted the CRA Program on May 5, 1992. The Board instructed the Treasurer to design and implement a community reinvestment act program to acknowledge and reward locally-active banks which support the community’s credit needs by providing banking services and credit needs to the low- and moderate-income communities within the County. More information on the CRA Program can be found Section IX. H. on Page 8 of the Investment Policy of the Pooled Investment Fund.

As the Treasurer, in managing the investment pool, I am required to follow the primary objectives of Government Code Section 53600.5, which are safety of principal, liquidity, and yield. Over the past two years, the CRA Program has been modified to increase participation among banks operating in the County. On March 1, 2019, a letter was sent to all eligible banks operating within Sacramento County with information on the CRA Program and an application to apply for a deposit from $250,000 to $10 million. Eight banks submitted applications and four of those banks were awarded deposits based on their lending activity in low- and moderate-income communities within the county and the competitiveness of the interest rate offered on the deposit. This outreach resulted in $30 million deposited with eligible banks. The CRA Program criteria will be reevaluated in time for our March 2020 request for applications to encourage more participation and increase the amount deposited with eligible banks.

If you have any questions regarding our CRA Program or depositing funds with community banks, I can be reached at (916) 874-6744 or by email at FinanceDirector@SacCounty.net.

Sincerely,

Ben Lamera
Director of Finance

cc: David Villanueva
Treasury Oversight Committee