San Diego Regional Housing Finance Authority (SD RHFA)

NOTICE AND AGENDA OF PUBLIC MEETING

To: Those San Diego radio stations, television stations, digital media, and newspapers of general circulation that have requested notice in writing of meetings.

Pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5), please take notice that a public meeting of the San Diego Regional Housing Finance Authority is scheduled for:

Thursday, September 25, 2025
12:00 p.m.
San Diego Community College District
3375 Camino del South, Board Room 235-255
San Diego, CA 92108

AGENDA:

1. Welcome and Call to Order
2. Non-agenda Public Comment
3. Consent Agenda
    a. Approve August 27, 2025, Meeting Minutes
4. Informational Items
    a. Report on Budget Spend-down (July-December 2025)
5. Action Items
    a. Authorization to purchase insurance
6. Presentations
    a. Learning Series: SB 440 Part 1
    b. Strategic Framework Update
7. Meeting Adjournment
    a. Wednesday, October 29, 2025 (San Diego Unified School District)

All exhibits are available for inspection by the public at the SD RHFA meeting or prior to such meeting, when reports are available. Contact the Board Services Office at (619) 725-5550 for more information.

Reasonable accommodation for any individual with a disability - Any individual with a disability who requires reasonable accommodation to participate in this meeting may request assistance 24 hours prior to the scheduled meeting by contacting the Board Services Office at (619) 725-5550.

San Diego Regional Housing Finance Authority

Meeting Minutes
August 27, 2025

The meeting of the San Diego Regional Housing Finance Authority (SD-RHFA) was held on August 27, 2025, at 1:00 p.m. at the San Diego Unified School District, 4100 Normal Street, San Diego, CA 92103.

Participants:

- San Diego Unified School District (SDUSD) Trustees Cody Petterson and Richard Barrera
- San Diego Community College District (SDCCD) Trustees Craig Milgrim
    - **Absent:** Mariah Jameson
- San Diego Unified School District (SDUSD) Interim Superintendent Fabiola Bagula
- San Diego Community College District (SDCCD) Chancellor Gregory Smith
- San Diego Unified School District (SDUSD) General Counsel Andra M. Greene

A. Call to Order
B. Non-agenda Public Comment (3 minutes per speaker)
    a. None
C. Consent Agenda
    a. Approve July 30, 2025 Meeting Minutes
        i. Craig Milgrim, seconded by Richard Barrera, moved to approve the July 30, 2025 Meeting Minutes. Motion approved (3-0).
D. Action Items
    a. None
E. Presentations (no vote)
    a. Strategic Framework (Value, Mission, & Vision)
    b. SD-RHFA Workplan Overview
F. Meeting Adjournment
    a. Craig Milgrim, seconded by Richard Barrera, moved to adjourn. Motion approved (3-0). Meeting ended at 2:29pm.
    b. Next Meeting: Wednesday, September 25th from 1-3pm (SDCCD, 3375 Camino del South, Board Room 235-255, San Diego, CA 9108)

SD Regional Housing Finance Authority Program Budget (July 1, 2025 - December 31, 2025)

Budget Summary (at a glance)

Category	Amount/Percentage	
Total Budget	$	250,000
Total Spent	**$**	**94,348**
Remaining	$	155,652
% of Budget Spent		**38%**

Income

#	Sources	In-kind	Contractual	Total
1	Prebys Grant for RHFA work		$ 250,000	$ 250,000
2	In-Kind Resources	$ 162,500		$ 162,500
	Total	**$ 162,500**	**$ 250,000**	**$ 412,500**

Expenditures

#	Expense Items	In-kind	Contractual	Total	Spent to Date	Remaining Balance	% Spent
1	**Contracted Board and Organizational Support**		$ 175,000	$ 175,000	$ 50,000	$ 125,000	29%
2	**Legal Counsel and Meeting Support -** SD Unified	$ 105,000		$ 105,000	N/A	N/A	N/A
3	**Legal Counsel and Meeting Support -** Outside Municipal Counsel		$ 30,000	$ 30,000	$ 30,000	$ -	100%
4	**Formation and Incorporation Costs**	$ 40,000		$ 40,000	N/A	N/A	N/A
5	**Accounting/Fiscal Sponsorship (SDCCD)**	$ 17,500	$ 7,500	$ 25,000	$ 7,500	$ -	30%
6	**Insurance (placeholder)**		TBD	TBD	N/A	N/A	N/A
7	**IT Services**	TBD		TBD	N/A	N/A	N/A
8	**Website Launch/Hosting/Graphic Design**		TBD	TBD	N/A	N/A	N/A
9	**Meeting costs**		$ 1,800	$ 1,800	$ 1,913	$ (113)	106%
10	**Travel & Training**		$ 5,000	$ 5,000	$ -	$ 5,000	0%
11	**Start-Up expenses**		$ 11,000	$ 11,000	$ -	$ 11,000	0%
12	**Contingency (for Insurance, Website, Misc. items, etc.)**		$ 19,700	$ 19,700	$ 4,935	$ 14,765	25%
	Total	**$ 162,500**	**$ 250,000**	**$ 412,500**	**$ 94,348**	**$ 155,652**	**38%**

***N/A denotes an "in-kind" resource or a "placeholder" item**



San Diego Regional Housing Finance Authority

Public Entity Liability/Public Officials (E&O) Liability Coverage Proposal

Prepared September 5, 2025

Dennis Mulqueeney
Senior Vice President

Phuntsok Gaphel
AVP, Account Executive

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Company Profile

Alliant provides risk management, insurance, and consulting services to thousands of clients nationwide, delivering tailored products and services engineered to mitigate risk, improve performance, and promote long-term growth. Our core business includes property and casualty insurance services, middle-market brokerage, employee benefits, and underwriting, each staffed with dedicated industry specialists who understand the unique market dynamics facing their clients.

In addition to our 90-plus year legacy of service and results, Alliant is one of the industry's fastest-growing organizations. As America's 10th largest insurance brokerage, we have an active presence in every U.S. market and an extensive arsenal of best-in-class resources and intelligence that moves our clients forward in today's competitive market climate.

Alliant has a broad reach that covers a wide range of industries, including:

- Agriculture
- Aviation
- Construction
- Energy and Marine
- Environmental
- Healthcare
- Financial Institutions
- Law
- Public Entity
- Real Estate
- Tribal Nations
- And many more

Your Service Team

Dennis Mulqueeney **Senior Vice President**	dmulqueeney@alliant.com	Phone: 415 403 1421
Phuntsok Gaphel **AVP, Account Executive**	pgaphel@alliant.com	Phone: 415 403 1447

Named Insureds

San Diego Regional Housing Finance Authority

NAMED INSURED DISCLOSURE

- Name Insured(s) should match State of Incorporation filing. Inform Alliant if there is a difference or change
- The First Named Insured policy status granted includes certain rights and responsibilities. These responsibilities do not apply to other Named Insureds on the policy. Some examples for First Named Insured status include; (1) being designated to act on behalf of all insureds for making policy changes, (2) receiving of correspondence, (3) distributing claim proceeds, and (4) making premium payments
- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act.

Premium Summary

Coverage	Expiring Premium*		Renewal Premium*	
Public Entity Liability/Public Officials (E&O) Liability Coverage (including taxes & fees)	$	N/A	$	4,935.10
TOTAL	**$**	**N/A**	**$**	**4,935.10**

*Includes TRIA premium

Payment Terms

- Premium is due within 30 days of policy inception
- Agency Bill
- Payment Plan: Annual/Installment

Options

- None

Public Entity Liability/Public Officials (E&O) Liability Coverage

Insurance Company	ACE American Insurance Company
A.M. Best Rating	A++ (Superior), Financial Size Category: XV (Greater than or Equal to $2 Billion) as of December 12, 2024
Standard & Poor's Rating	AA (Very Strong) as of January 27, 2025
California Status	Admitted
Policy/Coverage Term	October 1, 2025 to October 1, 2026
Policy #	TBD

Coverage Form PF-23535 / PF-23536 (01/08) – Claims Made

Limits

Each Claim	$ 1,000,000
Aggregate	$ 1,000,000
Crisis Management Fund	$ 25,000
Non-Monetary Defense	$ 250,000

Defense Inside/Outside the Limit Inside the Limit

Who has the Duty to Defend Per Policy

Deductible

Public Officials' Liability	$ 0
Public Entity Reimbursement & Public Entity Liability	$ 15,000
Employment Practices Liability	Not Covered
Class Action Claim Retention	$ 250,000

Public Entity Liability/Public Officials (E&O) Liability Coverage – *(Continued)*

Endorsement & Exclusions (including but not limited to)	• Notice Amended Endorsement • Trade or Economic Sanctions Endorsement • Network Security or Privacy Exclusion • False Claims Act Exclusion • Bond Exclusion • Employment Practices Liability Exclusion • Public Entity Liability Enhancement Endorsement - $250,000 non-monetary defense • Limits of Liability Amended - Defense within the limit • Class Action Claim Retention - $250,000 • Disclosure Pursuant to Terrorism Risk Insurance Act • U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders • Chubb Producer Compensation Practices & Policies
Total Cost Excluding TRIA	Not Applicable
Total Cost Including TRIA	$ 4,783.00 Policy Premium $ 143.49 Surplus Lines Tax $ 8.61 Surplus Lines Fee Included TRIA Premium **$ 4,935.10 Total Cost**
Minimum Earned Premium	Per Policy
Extended Reporting Period	12 months for 100% of last annual premium
Policy Auditable	Per Policy

Public Entity Liability/Public Officials (E&O) Liability Coverage – *(Continued)*

Conditions	If bound, the insurance policy will include access to EPL Risk Management Services. EPL Risk Management Services is an interactive loss control activity available to ACE Municipal Advantage Public Entity Liability policyholders as part of CHUBB Financial Lines loss control services. The activity is available to policyholders at no additional cost, and there is no requirement that policyholders use the program. All communications with the EPL Risk Management Services are strictly confidential and will not be disclosed to the Insurer. Please see the enclosed material for more information about the EPL Risk Management Services
Quote Valid Until	September 30, 2025
Binding Conditions	• Completed and signed Bind Order Form • Completed, signed and dated CHUBB Main Form application and all materials requested thereon • Surplus Lines Taxes & Fees Fully Earned

See Disclaimer Page for Important Notices and Acknowledgement

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

New York Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Privacy

At Alliant, one of our top priorities is making sure that the information we have about you is protected and secure. We value our relationship with you and work hard to preserve your privacy and ensure that your preferences are honored. At the same time, the very nature of our relationship may result in Alliant's collecting or sharing certain types of information about you in order to provide the products and services you expect from us. Please take the time to read our full Privacy Policy posted at www.alliant.com, and contact your Alliant service team should you have any questions.

Other Disclosures / Disclaimers

FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

Guarantee Funds

Established by law in every state, guaranty funds are maintained by a state's insurance commissioner to protect policyholders in the event that an insurer becomes insolvent or is unable to meet its financial obligations. *If your insurance carrier is identified as 'Non-Admitted', your policy is not protected by your state's Guaranty Fund.*

Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Claims Made Policy:

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another state, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Permanent operations outside the United States, Canada or Puerto Rico.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Other Disclosures / Disclaimers - Continued

Certificates / Evidence of Insurance

A Certificate or Evidence is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy, nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or recipient.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a Certificate or Evident of Insurance, you may be required to name your landlord, client or customer on your policy as a loss payee on property insurance or as an additional insured on liability insurance. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.
- An additional insured endorsement will most likely not provide notification of cancellation. Some insurance companies use a “blanket” additional insured endorsement that provides coverage automatically when it is required in a written contract. Most insurance companies do not want to be notified of all additional insureds when there is a blanket endorsement on the policy. If a notice of cancellation is required for the additional insured party, you must notify us immediately and we will request an endorsement from your insurance company. There may be an additional premium for adding a notice of cancellation endorsement for an additional insured.

See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.

Flood Disclosure

Flooding is a serious threat to both personal and commercial clients. Flooding can happen anywhere, not just zone referred to as high-risk areas (Special Flood Hazard Area). Your Alliant team is ready to explain how it works and the associated costs.

Basic Facts

Congress created the NFIP in 1968 in response to the rising cost of taxpayer-funded disaster relief for flood victims and the increasing amount of damage caused by floods. The NFIP makes federally backed flood insurance available in communities that agree to adopt and enforce floodplain management ordinances to reduce future flood damage. The NFIP is self-supporting for the average historical loss year. This means that unless there is a widespread disaster, operating expenses and flood insurance claims are financed through premiums collected.

Commercial buildings or residential dwellings owned by commercial entities are considered commercial property. All others are residential dwellings

The FEMA Summary for Commercial Property and FEMA Standard Summary of Coverage provide information on the following:

- Types of Flood Insurance Coverage
- What is a Flood- "a General and temporary condition of partial or complete inundation of two or more acres of normally dry land area"…
- Deductibles – various options to meet your financial needs
- What is Covered and What is Not
- The valuation of the Property – Actual Cash Value or Replacement Cost

Additional Information

- Flood Zones-
  - https://www.fema.gov/flood-zones
- Excess Flood Insurance (contact your Producer for additional information)
  - Increased limits over the maximum flood limit provided by NFIP

FEMA Glossary of Flood Terms

https://www.fema.gov/national-flood-insurance-program/definitions

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Please indicate your selection:

☐ I would like to receive a flood quote

☐ I do NOT wish to purchased flood insurance

Signature: _____ Date: _____

Name Printed / Typed: _____

Company Name: _____

Optional Coverages

The following represents a list of insurance coverages that may not be included in this proposal but are optional and may be available with further underwriting information. This list is not inclusive of all coverages and if you have questions contact your Alliant representative. If you would like addition quotes please check Yes/No across from the coverage below, sign and return.

Target Coverages

	Yes	No
CRIME		
Employee Dishonesty	☐	☐
Computer Fraud	☐	☐
Social Engineering	☐	☐
Increased Limits	☐	☐
CYBER RISK	☐	☐
FLOOD INSURANCE	☐	☐
MANAGEMENT LIABILITY		
Directors & Officers Liability	☐	☐
Employment Practices Liability	☐	☐
Fiduciary Liability	☐	☐
UMBRELLA / EXCESS LIABILITY (Increased Liability Limits)	☐	☐
Selecting the "Reject All or Accept All" option will override any selections you have made above	☐ Reject All ☐ Accept All for Consideration	

Signature of Authorized Insurance Representative **Date**

Title

Printed / Typed Name

Optional Coverages – Continued

Other Coverage Options

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here which are unique to your organization.

- Business Income/Extra Expense
- Earthquake
- Employed Lawyers
- Employee Benefits Liability
- Equipment Breakdown
- Food Borne Illness
- Foreign Insurance
- Garagekeepers Liability
- Hired Auto Physical Damage
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Network Security / Privacy Liability and Internet Media Liability
- Non-Owned & Hired Automobile Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Professional Liability
- Property in Transit
- Property of Others (Clients, Employees, Other)
- Special Events Liability
- Spoilage
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers Compensation & Employers Liability
- Workplace Violence

Glossary of Insurance Terms

Below are links to assist you in understanding the insurance terms you may find within your insurance coverages:

http://insurancecommunityuniversity.com/university-resources/insurance-glossary-free
https://consumers.ambest.com/content.aspx?rec=261613
http://www.irmi.com/online/insurance-glossary/default.aspx

Binde Order/Request to Bind Coverage Form

San Diego Regional Housing Finance Authority

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
Public Entity Liability/Public Officials (E&O) Liability Coverage Proposed Term: 10/1/2025-10/1/2026 Proposed Cost (including taxes & fees): $4,935.10	☐

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.

Signature of Authorized Insured Representative **Date**

Title

Printed / Typed Name

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.*

ACE American Insurance Company
Illinois Union Insurance Company
Westchester Fire Insurance Company
Westchester Surplus Lines Insurance Company
[LIST ONLY THE COMPANY THAT APPLIES]

ACE Municipal Advantage℠
Public Entity Liability Policy
Declarations

This Policy is issued by the stock insurance company listed above.

THIS POLICY IS A CLAIMS MADE AND REPORTED POLICY. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSUREDS AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF APPLICABLE, AND WHICH ARE THE RESULT OF WRONGFUL ACTS COMMITTED BEFORE THE END OF THE POLICY PERIOD. PLEASE READ THIS POLICY CAREFULLY.

THE LIMITS OF LIABILITY AVAILABLE TO PAY INSURED DAMAGES SHALL BE REDUCED BY AMOUNTS INCURRED FOR CLAIMS EXPENSES. FURTHER NOTE THAT AMOUNTS INCURRED FOR DAMAGES AND CLAIMS EXPENSES SHALL ALSO BE APPLIED AGAINST THE RETENTION AMOUNT.

TERMS THAT APPEAR IN BOLD FACE TYPE HAVE SPECIAL MEANING. PLEASE REFER TO SECTION II, DEFINITIONS.

Policy No.
Item 1. **Public Entity:** Principal Address:
Item 2. **Policy Period**: From 12:01 a.m. To 12:01 a.m. (Local time at the address shown in Item 1)
Item 3. Limits of Liability Each **Claim** and in the Aggregate for all **Claims** including **Claims Expenses**: $
Item 4. Retention A. For **Damages** and **Claims Expenses** under Insuring Agreement IA.1: $ Zero each **Claim** B. For **Damages** and **Claims Expenses** under Insuring Agreement IA.2 and IB: $ each **Claim** C. For **Damages** and **Claims Expenses** under Insuring Agreement IC: $ each **Claim**

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Item 5. Notice to **Insurer**:

A. Notice of **Claim** or **Wrongful Act**:

[Company]
[Address]
[Address]
[Fax Number]

B. All other notices:

Chief Underwriting Officer
[Company]
[Address]
[Address]

Item 6. **Policy** Premium: $

Item 7. **Extended Reporting Period**:

A. Additional Premium: ____% of Annual Premium

B. Additional Period: _____

Item 8. **Crisis Management Fund:**

$25,000

IN WITNESS WHEREOF, the **Insurer** has caused this **Policy** to be countersigned by a duly authorized representative of the **Insurer**.

DATE: _____ _____

Authorized Representative

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ACE American Insurance Company
Illinois Union Insurance Company
Westchester Fire Insurance Company
Westchester Surplus Lines Insurance Company
[LIST ONLY THE COMPANY THAT APPLIES]

ACE Municipal Advantage℠ Public Entity Liability Policy

In consideration of the payment of the premium, in reliance upon the **Application**, and subject to the Declarations and the terms and conditions, limit of liability and other provisions of this **Policy**, the **Insureds** and the **Insurer** agree as follows:

I. INSURING AGREEMENTS

A. **Public Entity** Management Liability

1. Public Officials' Liability

The **Insurer** will pay on behalf of the **Insured Persons** all **Damages** and **Claims Expenses** for which the **Insured Persons** are not indemnified by the **Public Entity** and which the **Insured Persons** become legally obligated to pay by reason of a **Claim** first made against the **Insured Persons** and reported to the **Insurer** during the **Policy Period** or, if elected, the **Extended Reporting Period**, for any **Wrongful Act** taking place prior to the end of the **Policy Period**.

2. **Public Entity** Reimbursement

The **Insurer** will pay on behalf of the **Public Entity** all **Damages** and **Claims Expenses** for which the **Public Entity** has indemnified the **Insured Persons** and which the **Insured Persons** become legally obligated to pay by reason of a **Claim** first made against the **Insured Persons** and reported to the **Insurer** during the **Policy Period** or, if elected, the **Extended Reporting Period**, for any **Wrongful Act** taking place prior to the end of the **Policy Period**.

B. **Public Entity** Liability

The **Insurer** will pay on behalf of the **Public Entity** all **Damages** and **Claims Expenses** for which the **Public Entity** becomes legally obligated to pay by reason of a **Claim** first made against the **Public Entity** and reported to the **Insurer** during the **Policy Period** or, if elected, the **Extended Reporting Period**, for any **Wrongful Act** taking place prior to the end of the **Policy Period**.

C. Employment Practices Liability

The **Insurer** will pay on behalf of the **Insureds** all **Damages** and **Claims Expenses** for which the **Insureds** becomes legally obligated to pay by reason of a **Claim** first made against them and reported to the **Insurer** during the **Policy Period** or, if elected, the **Extended Reporting Period**, for any **Wrongful Act** taking place prior to the end of the **Policy Period**.

D. **Public Entity** Crisis Management Coverage

The **Insurer** will pay on behalf of the **Public Entity** the **Crisis Management Expense** for which the **Public Entity** becomes legally obligated to pay by reason of a **Crisis Event** first occurring during the **Policy Period**, but only up to the limit of liability for the **Crisis Management Fund**.

II. DEFENSE

A. The **Insurer** shall have the right and duty to defend any covered **Claim** made against the **Insured** and reported to the **Insurer** during the **Policy Period** or, if elected, the **Extended Reporting Period,** for any **Wrongful Act** taking place prior to the end of the **Policy Period**, even if such **Claim** is groundless, false or fraudulent. The **Insured** shall not admit or assume liability or settle or negotiate to settle any **Claim** or incur any **Claims Expenses** without the prior written consent of the **Insurer**, and the **Insurer** shall have

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the right to appoint counsel and to make such investigation and defense of a covered **Claim** as it deems necessary.

B. Solely with respect to Insuring Agreements I.A.2, **Public Entity** Reimbursement, and I.B, **Public Entity** Liability, the **Insurer** shall not settle any **Claim** without the written consent of the **Public Entity**. The **Insurer** shall have the right to settle any **Claim** at its sole discretion with respect to all other Insuring Agreements. If the **Public Entity** refuses to consent to a settlement or a compromise recommended by the **Insurer** and acceptable to the claimant, then the **Insurer's** Limit of Liability under this **Policy** with respect to such **Claim** shall be reduced to (1) the amount of **Damages** for which the **Claim** could have been settled plus all **Claims Expenses** incurred until the date of such refusal, and (2) 50% of all subsequent covered **Claims Expenses** in excess of such amount, which sum shall not exceed the unexhausted Limits of Liability specified in Item 3 of the Declarations. The remaining 50% of **Claims Expenses** and all subsequent **Damages** shall be borne uninsured by the **Insureds** and at their own risk. In such event, the **Insurer** shall tender a check to the **Insured** for the recommended settlement amount, and shall be relieved of any further duty or obligation, except as otherwise stated in this subsection B.

C. The **Insurer** shall not be obligated to investigate, defend, pay or settle, or continue to investigate, defend, pay or settle, any **Claim** after any applicable Limit of Liability specified in Item 3 of the Declarations has been exhausted by payment of **Damages** and **Claims Expenses**, or by any combination thereof, or after the **Insurer** has deposited the remainder of any unexhausted applicable Limit of Liability into a court of competent jurisdiction. In such case, the **Insurer** shall withdraw from the investigation, defense, payment or settlement of such **Claim** and shall tender the investigation, defense and control of such **Claim** to the **Insured**.

D. The **Insureds** shall cooperate with the **Insurer**, and provide to the **Insurer** all information and assistance which the **Insurer** reasonably requests including but not limited to attending hearings, depositions and trials and assistance in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and conducting the defense of any **Claim** covered by this **Policy**. The **Insureds** shall do nothing that may prejudice the **Insurer's** position. The **Insureds** shall immediately forward to the **Insurer**, at the address indicated in Item 5A of the Declarations, every demand, notice, summons, or other process or pleadings received by the **Insured** or its representatives.

III. DEFINITIONS

When used in this **Policy**:

A. **Adverse Publicity** means the publication of unfavorable information regarding the **Public Entity** which can reasonably be considered to materially reduce public confidence in the competence, integrity or viability of the **Public Entity** to conduct business. Such publication must occur in a report about an **Insured** appearing in:

1. a daily newspaper of general circulation; or

2. a radio or television news program.

B. **Application** means all applications, including any attachments thereto, and all other information and materials submitted by or on behalf of the **Insureds** to the **Insurer** in connection with the **Insurer** underwriting this **Policy** or any **Policy** of which this **Policy** is a direct or indirect renewal or replacement or which it succeeds in time. All such applications, attachments, information and materials are deemed attached to and incorporated in this **Policy**.

C. **Bodily Injury** means physical injury to the body, physical pain, sickness, disease, and death. **Bodily Injury** also means mental distress, mental injury, mental anguish, mental tension, pain and suffering, shock and humiliation (collectively "**Mental Distress**"), but only if such **Mental Distress** arises from and is accompanied by injury to the claimant's body, sickness, disease or death.

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D. **Claim** means:

1. a written demand against any **Insured** for monetary **Damages** or non-monetary or injunctive relief;

2. a civil proceeding against any **Insured** seeking monetary **Damages** or non-monetary or injunctive relief, commenced by the service of a complaint or similar pleading;

3. a binding arbitration proceeding, only if the **Insurer** has provided its prior written consent to such proceeding, against any **Insured** seeking monetary **Damages** or non-monetary or injunctive relief;

4. a civil, administrative or regulatory proceeding against any **Insured** commenced by the issuance of a notice of charge or formal investigative order, including without limitation any such proceeding by or in association with the Equal Employment Opportunity Commission or any other similar federal, state or local governmental authority located anywhere in the world;

5. a civil, administrative or regulatory investigation against any **Insured**, commenced by the service upon or other receipt by any **Insured** of a written notice or subpoena from the investigating authority identifying any **Insured** as an individual against whom a civil, administrative or regulatory investigation or proceeding is to be commenced; or

6. solely with respect to coverage provided under Insuring Agreement I.C, a written request of the **Insured** to toll or waive a statute of limitations applicable to a **Claim** described in paragraphs 1 through 5 above.

including any appeal therefrom. However, **Claim** shall not include a labor or grievance arbitration or proceeding which is subject or pursuant to a collective bargaining agreement

E. **Claims Expenses** means:

1. reasonable and necessary attorneys' fees, expert witness fees and other fees and costs incurred by the **Insurer**, or by the **Insured** with the **Insurer's** prior written consent, in the investigation and defense of covered **Claims**;

2. reasonable and necessary premiums for any appeal bond, attachment bond or similar bond, provided the **Insurer** shall have no obligation to apply for or furnish such bond; and

3. prejudgment and post-judgment interest awarded in any **Claim**.

Claims Expenses shall not include wages, salaries, fees or costs of directors, officers or **Employees** of the **Insurer** or the **Insured** or **Crisis Management Expenses.**

F. **Crisis Event** means one of the following, except where coverage is otherwise excluded under Exclusions H and R of the **Policy**.

1. Management Event: The incapacity, death or state or federal criminal indictment of an **Insured Person** for whom the **Public Entity** has purchased and continues to maintain key individual life insurance;

2. Funding Cancellation: The cancellation, withdrawal or revocation of $500,000 or more in funding, donation(s), grant(s) or bequest(s) by a non-government entity or person to the **Public Entity**;

3. Bankruptcy: The disclosure by the **Public Entity** of (a) its intention to file or its actual filing for protection under federal bankruptcy laws, or (b) a third-party's intention to file or its actual filing of an involuntary bankruptcy petition under federal bankruptcy laws with respect to the **Public Entity**;

4. Employment Event: The disclosure by the **Public Entity** of the threatened or actual commencement by a third-party of an action, audit or investigation alleging a **Wrongful Employment Practice** by the **Public Entity** which has caused or is reasonably likely to cause **Adverse Publicity**; and

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5. Material Event: Any other material event which, in the good faith opinion of the **Public Entity**, has caused or is reasonably likely to result in **Adverse Publicity**, but only if such material event is scheduled for coverage by written endorsement to this **Policy**.

G. **Crisis Management Expense** means the following expenses incurred by the **Public Entity** during a period beginning ninety (90) days prior to and in reasonable anticipation of a **Crisis Event** and ending ninety (90) days after an actual or reasonably anticipated **Crisis Event**, irrespective of whether a **Claim** is actually made with respect to the subject **Crisis Event**; provided, however, that the **Insurer** must have been notified of the **Crisis Management Expense** within thirty (30) days of the date the **Public Entity** first incurs the subject **Crisis Management Expense:**

1. The reasonable and necessary expenses directly resulting from a **Crisis Event** which the **Public Entity** incurs for **Crisis Management Services** provided to the **Public Entity by a Crisis Management Firm**, and

2. The reasonable and necessary expenses directly resulting from a **Crisis Event** which the **Public Entity** incurs for (a) advertising, printing, or the mailing of matter relevant to the **Crisis Event**, and (b) out of pocket travel expenses incurred by or on behalf of the **Public Entity** or the **Crisis Management Firm**; provided, however, **Crisis Management Expense** does not include those amounts which otherwise would constitute compensation, benefits, fees, overhead, charges or expenses of an **Insured** or any of the **Insured's Employees**.

H. **Crisis Management Firm** means a marketing firm, public relations firm, law firm, or other professional services entity retained by the **Insurer**, or by the **Public Entity** with the **Insurer's** prior written consent, to perform **Crisis Management Services** arising from a **Crisis Event**.

I. **Crisis Management Fund** means the amount specified in Item 8 of the Declarations.

J. **Crisis Management Services** means the professional services provided by a **Crisis Management Firm** in counseling or assisting the **Public Entity** in reducing or minimizing the potential harm to the **Public Entity** caused by the public disclosure of a **Crisis Event**.

K. **Damages** means compensatory damages, judgments, any award of prejudgment and post-judgment interest, and settlements which the **Insured** becomes legally obligated to pay on account of any **Claim** first made against any **Insured** during the **Policy Period** or, if elected, the **Extended Reporting Period**, for **Wrongful Acts** to which this **Policy** applies. Such damages include punitive and exemplary damages and the multiple portion of any multiplied damage award, if and to the extent such damages are insurable under the law of the applicable jurisdiction most favorable to the insurability of such damages.

With respect to any **Claim** arising out of a **Wrongful Employment Practice**, **Damages** shall also mean:

1. front-pay and back-pay, except as otherwise stated below; and

2. liquidated damages awarded pursuant to the Age Discrimination in Employment Act or the Equal Pay Act.

Damages shall not include:

1. any amount for which the **Insured** is not financially liable or legally obligated to pay;

2. taxes, fines or penalties;

3. matters uninsurable under the laws pursuant to which this **Policy** is construed;

4. employment-related benefits, retirement benefits, perquisites, vacation and sick days, medical and insurance benefits, deferred cash incentive compensation or any other type of compensation other than salary, wages, bonuses, commissions and non-deferred cash incentive compensation;

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5. the cost to comply with any injunctive or other non-monetary or declaratory relief, including specific performance, or any agreement to provide such relief;

6. any liability or costs incurred to modify any building or property to make it more accessible or accommodating to any person, or any liability or costs in connection with any educational, sensitivity or other corporate program, policy or seminar;

7. **Crisis Management Expenses**; or

8. liquidated damages, except to the extent specifically included as **Damages** above.

L. **Employee** means any natural person whose labor or services are engaged and directed by the **Public Entity** (including any part-time, seasonal and temporary employee or volunteer), but only while acting in his or her capacity as such, and any natural person who is leased to the **Public Entity**, but only if the **Public Entity** provides indemnification to such leased person in the same manner as is provided to the **Public Entity's** employees.

M. **Extended Reporting Period** means the period for the extension of coverage, if elected, described in Section VII, **Extended Reporting Periods**.

N. **Incidental Medical Malpractice** means injury arising out of emergency medical services rendered or which reasonably should have been rendered to any person or persons during the **Policy Period** by any duly certified emergency medical technician, paramedic or nurse who is an **Employee** of the **Public Entity** or acting on its behalf to provide such services, but is not employed, either full-time or part-time, at a hospital, clinic or nursing home facility. **Incidental Medical Malpractice** also includes injury arising out of the dispensation of prescribed medicine.

O. **Insured** means the **Public Entity** and any **Insured Persons;**

P. **Insured Persons** means the following, but only to the extent such persons are acting solely in their capacities as legally authorized representatives of the **Public Entity**:

1. all persons who were, now are or shall be lawfully elected or duly appointed officials or **Employees**;

2. commissions, boards, or other units, and members and **Employees** thereof, operated by and under the jurisdiction of such **Public Entity** and within an apportionment of the total operating budget indicated in the application for this **Policy**;

3. volunteers acting for or on behalf of, and at the written request and under the direction of, the **Public Entity**;

4. elected or duly appointed officials and **Employees** of the **Public Entity** duly appointed at the written request of the **Public Entity** to serve with an outside tax exempt entity;

5. any person providing services for the **Public Entity** under a mutual aid or similar written agreement; and

6. elected or duly appointed officials and **Employees** of the **Public Entity** as a director or officer of a non-profit organization created and operated under Section 501c(3) of the Internal Revenue code of 1988, amended, for any **Wrongful Acts** they have committed in their respective capacities as a director or officer of such non-profit organization, provided that: (1) the appointment of the elected or duly appointed official or **Employee** to such non-profit organization is based solely upon the person's being an elected or duly appointed official or **Employee** of the **Public Entity**; and (2) such elected or duly appointed official or **Employee** is directed in writing by the **Public Entity** to serve as a director or officer of such non-profit organization prior to beginning such service.

Q. **Insurer** means the insurance company providing this insurance.

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R. **Interrelated Wrongful Acts** means all **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.

S. **Personal Injury** means injury arising out of one or more of the following offenses:

1. false arrest, detention or imprisonment;

2. malicious prosecution;

3. libel, slander or other defamatory or disparaging material;

4. publication or an utterance in violation of an individual's right to privacy; and

5. wrongful entry or eviction, or other invasion of the right to private occupancy.

T. **Policy** means, collectively, the Declarations, the **Application**, this **Policy,** including any endorsements.

U. **Policy Period** means the period of time specified in Item 2 of the Declarations, subject to prior termination pursuant to Section XIV, Termination of the **Policy**.

V. **Pollutants** means any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the United States Environmental Protection Agency or any federal, state, county, municipal or local counterpart thereof or any foreign equivalent. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials, including materials to be recycled, reconditioned, or reclaimed. **Pollutants** shall also mean any other air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products, noise, fungus (including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi) and electric or magnetic or electromagnetic field.

W. **Property Damage** means:

1. physical injury to, or loss or destruction of, tangible or intangible property, including the loss of use thereof; and

2. loss of use of tangible or intangible property which has not been physically injured, lost, damaged or destroyed.

X. **Public Entity** means the municipality, governmental body, department or unit which is named in Item 1 of the Declarations.

Y. **Retaliation** means retaliatory treatment on account of:

1. the actual or attempted exercise by an **Employee** of any rights of such an **Employee** under law, including workers' compensation laws, the Family and Medical Leave Act, and the Americans with Disabilities Act;

2. the filing of any claim under any statute, rule or regulation to protect an **Employee** from discrimination by his or her employer if such **Employee** discloses or threatens to disclose to a superior or a governmental agency, or if such **Employee** gives testimony relating to, any activity within such employer's operations which may be in violation of a statute, rule or regulation or any professional codes of ethics, including the Federal False Claims Act;

3. the disclosure or threat of disclosure by an **Employee** of the **Public Entity** to a superior or to any governmental agency of any act by an **Insured** which act is alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder;

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4. an **Employee** assisting, cooperating or testifying in any proceeding or investigation into whether an **Insured** violated any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder; or

5. any strike of any **Employee** of the **Public Entity**

Z. **Sexual Abuse and Molestation** means any actual, attempted or alleged criminal sexual conduct of a person by another person, or persons acting in concert, which causes physical and/or mental injuries. **Sexual Abuse and Molestation** includes: sexual molestation, sexual assault, sexual exploitation or sexual injury. **Sexual Abuse and Molestation** does not include **Sexual Harassment**.

AA. **Sexual Harassment** means any actual or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or persons acting in concert, which causes physical and/or mental injuries. **Sexual Harassment** includes:

1. the above conduct when submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or

2. the above conduct when such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile, or offensive work environment.

Sexual Harassment does not include **Sexual Abuse and Molestation.**

BB. **Wrongful Act** means:

1. with regard to Insuring Agreements I.A.1 and 1.A.2, any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by an **Insured Person** while acting in his or her capacity as such and on behalf of the **Public Entity**;

2. with regard to Insuring Agreements I.B., any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by the **Public Entity**; or

3. with regard to Insuring Agreement I.C:

   a. solely with respect to **Claims** brought and maintained by or on behalf of any **Employee** or applicant for employment with the **Public Entity**, **Wrongful Act** means a **Wrongful Employment Practice** committed or attempted by the **Public Entity** or by any **Insured Person** in his or her capacity as such and on behalf of the **Public Entity**; or

   b. with respect to all other **Claims**, **Wrongful Act** means only, or a violation of discrimination laws, including but not limited to, violations based on race, color, religion, creed, age, sex, disability, marital status, national origin, pregnancy, HIV status, sexual orientation or preference, military status, or a violation of a natural person's civil rights relating to such discrimination or **Sexual Harassment**, in either case, whether direct, indirect, intentional or unintentional, committed by an **Insured Person** in his or her capacity as such and on behalf of the **Public Entity.**

CC. **Wrongful Employment Practice** means any actual or alleged:

1. wrongful dismissal or discharge or termination, whether actual or constructive;
2. employment-related misrepresentation;
3. any violation of employment discrimination laws anywhere in the world, including but not limited to violations based on race, color, religion, creed, age, sex, disability, marital status, national origin, pregnancy, HIV status, sexual orientation or preference, or military status;
4. **Sexual Harassment** or unlawful workplace harassment;

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5. wrongful deprivation of a career opportunity or wrongful demotion;
6. failure to employ or promote;
7. wrongful discipline;
8. **Retaliation**;
9. negligent evaluation;
10. employment-related libel, slander, defamation, humiliation, invasion of privacy, or the giving of negative or defamatory statements in connection with an **Employee** reference;
11. failure to grant tenure; and
12. with respect to paragraphs S.1 through S.11 above, inclusive, negligent hiring, retention, training or supervision; infliction of emotional distress or mental anguish; failure to provide or enforce adequate or consistent corporate policies and procedures; or violation of an individual's civil rights;

of any past, present or prospective full-time, part-time, seasonal and temporary **Employee** or volunteer or leased **Employee**(s) or applicant for employment of the **Public Entity**.

The foregoing definitions shall apply equally to the singular and plural forms of the respective words.

IV. EXCLUSIONS

Except as limited under Insuring Agreement I.D, **Public Entity** Crisis Management Coverage, the **Insurer** shall not be liable for **Damages** or **Claims Expenses** on account of any **Claim**:

A. alleging, based upon, arising out of or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law by an **Insured** ("**Excluded Conduct**"); however, this exclusion shall not apply: (1) unless and until there is an adverse admission by, finding of fact, or final adjudication against any **Insured** as to such **Excluded Conduct**, at which time the **Insured** shall reimburse the **Insurer** for all **Damages** and **Claims Expenses** paid or incurred on account of such **Claim**; or (2) to any **Claim** alleging any **Wrongful Employment Practice**.

B. alleging, based upon, arising out of or attributable to the gaining in fact of any profit, remuneration or advantage to which any **Insured** was not legally entitled; however, this exclusion shall not apply to any **Claim** alleging any **Wrongful Employment Practice**.

C. seeking relief or redress in any form other than monetary damages, or **Claims Expenses** for a **Claim** seeking injunctive or other non-monetary relief. However, the **Insurer** shall defend such a **Claim** in accordance with Section II, Defense, subject to a **Policy Period** aggregate limit of liability of $100,000. This limit shall be part of the Limit of Liability stated in Item 3 of the Declarations.

D. alleging, based upon, arising out of or attributable to any:

1. **Bodily Injury**, other than **Mental Distress** arising out of a **Wrongful Employment Practice**;

2. **Property Damage**;

3. **Personal Injury,** other than libel, slander or defamation in any form arising out of a **Wrongful Employment Practice**; or

4. any allegation relating to the foregoing D.1, D.2 and D.3 that an **Insured** negligently employed, investigated, supervised or retained a person, or based on an alleged practice, custom or policy and including, without limitation, any allegation that the violation of a civil right caused or resulted from such **Damages**, **Claims Expenses** or **Claim**.

E. alleging, based upon, arising out of or attributable to the operation of the laws, and principles of eminent domain, condemnation, inverse condemnation, temporary or permanent taking, adverse possession or dedication by adverse use.

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F. alleging, based upon, arising out of or attributable to strikes, riots or civil commotions;

G. alleging, based upon, arising out of or attributable to the failure to effect or maintain any insurance or bond, which shall include, but not be limited to, insurance provided by self-insurance arrangements, pools, self-insurance trusts, captive insurance companies, retention groups, reciprocal exchanges or any other plan or agreement of risk transfer or assumption. However, this exclusion shall not apply to **Claims Expenses**.

H. alleging, based upon, arising out of or attributable to:

1. the actual, alleged or threatened discharge, dispersal, release, escape, seepage, migration or disposal of **Pollutants**; or

2. any direction or request that any **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**, or any voluntary decision to do so.

I. alleging, based upon, arising out of or attributable to the planning, construction, maintenance, operation or use of any nuclear reactor, nuclear waste storage or disposal site or any other nuclear facility; the transportation of nuclear material; or any nuclear reaction or radiation, or radioactive contamination, regardless of its cause.

J. brought by or on behalf of any **Insured**; provided, however, with respect to any **Claim** alleging any **Wrongful Employment Practice,** this exclusion shall only apply to cross-claims or counter-claims brought by one **Insured** against another **Insured**.

K. alleging, based upon, arising out of or attributable to:

1. breach of any express, implied, actual or constructive contract, warranty, guarantee or promise, However, this subsection of this exclusion shall not apply to any **Claim** alleging any **Wrongful Employment Practice**; or

2. any construction, architectural or engineering contracts and/or agreements or the actual or alleged liability assumed by the **Insured** under any express, implied, actual or constructive contract or agreement, unless such liability would have attached to the **Insured** even in the absence of such contract or agreement.

L. alleging, based upon, arising out of or attributable to any misappropriation of any trade secret or infringement of patent, collective mark, certification mark, registered mark, service mark, trademark, trade dress, trade name, domain, title, slogan, copyright or service name.

M. alleging, based upon, arising out of or attributable to the operation of or activities of any schools, hospitals, clinics, nursing homes or other health care operations, jails or detention facilities, law enforcement agencies or fire fighting authorities.

N. alleging, based upon, arising out of or attributable to the rendering or failure to render:

1. medical services, including **Incidental Medical Malpractice**, or

2. professional services provided by any lawyer, architect, engineer or accountant to any person or entity other than the **Public Entity**.

O. alleging, based upon, arising out of or attributable to any **Insured's** activities as a trustee or fiduciary as respects any type of **Employee** benefit plan, including any pension, savings, or profit sharing plan or to any amounts or benefits due under any fringe benefit program, retirement program, incentive program, perquisite program, entitlement program or other benefits owed to any **Employee**, including, but not limited to any actual or alleged violation of the responsibilities, obligations or duties imposed by the **Employee** Retirement Income Security Act of 1974, any similar state or local laws, and any rules and regulations promulgated thereunder and amendments thereto.

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P. alleging, based upon, arising out of or attributable to the improper administration or collection of taxes, or loss that reflects any tax obligations.

Q. alleging, based upon, arising out of or attributable to:

1. any prior or pending litigation or administrative or regulatory proceeding, or any U.S. Equal Employment Opportunity Commission or similar state, local or foreign agency proceeding or investigation, filed on or before the effective date of the first policy issued and continuously renewed by the **Insurer**, or the same or substantially the same **Wrongful Act**, fact, circumstance or situation underlying or alleged therein; or

2. any other **Wrongful Act** whenever occurring which, together with a **Wrongful Act** underlying or alleged in such prior or pending proceeding, would constitute **Interrelated Wrongful Acts**.

R. alleging, based upon, arising out of, or attributable to:

1. any **Wrongful Act**, fact, circumstance or situation which has been the subject of any written notice given under any other policy of which this **Policy** is a renewal or replacement or which it succeeds in time; or

2. any other **Wrongful Act** whenever occurring which, together with a **Wrongful Act** which has been the subject of such notice, would constitute **Interrelated Wrongful Acts**.

S. alleging, based upon, arising out of or attributable to any **Wrongful Act** prior to the inception date of the first policy issued by the **Insurer** or any affiliate thereof, and continuously renewed and maintained, if, on or before such date, any **Insured** knew or could have reasonably foreseen that such **Wrongful Act** could lead to a **Claim**.

T. solely with respect to any **Claim** arising out of a **Wrongful Employment Practice**:

1. alleging, based upon, arising out of or attributable to any violation of the responsibilities, obligations or duties imposed by any worker's compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law; However, this exclusion shall not apply to that part of any **Claim** for **Retaliation**;

2. for an actual or alleged violation of: (1) the **Employee** Retirement Income Security Act of 1974 (except section 510 thereof); (2) the Fair Labor Standards Act (except the Equal Pay Act), (3) the National Labor Relations Act, (4) the Worker Adjustment and Retraining Notification Act, (5) the Consolidated Omnibus Budget Reconciliation Act, (6) the Occupational Safety and Health Act; or any similar federal, state or local laws, and any rules and regulations promulgated thereunder and amendments thereto anywhere in the world. However, this exclusion shall not apply to that part of any **Claim** for **Retaliation**;

3. alleging, based upon, arising out of or attributable to any costs or liability incurred by any **Insured** to provide any reasonable accommodations required by, made as a result of, or to conform with the requirements of, the Americans With Disabilities Act of 1992, as amended, or any similar federal, state or local law, regulation or ordinance, including the modification of any building, property or facility to make it more accessible or accommodating to any disabled person; or

4. alleging, based upon, arising out of, or attributable to improper payroll deductions or any **Claims** for unpaid wages or overtime pay for hours actually worked or labor actually performed by any **Employee** of a **Public Entity**, or any violation of any federal state, local or foreign statutory law or common law that governs the same topic or subject, and any rules, regulations and amendments thereto. However, this exclusion shall not apply to that part of any **Claim** for **Retaliation.**

The **Wrongful Act** of any **Insured Person** shall not be imputed to any other **Insured Person** for the purpose of determining the applicability of Exclusions IV.A. and IV.B. above.

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V. CRISIS MANAGEMENT COVERAGE PROVISIONS

A. There shall be no Retention applicable to **Crisis Management Expenses** and the **Company** shall pay such **Crisis Management Expenses** from the first dollar subject to all other terms and conditions of this policy, including the **Policy** limit.

B. An actual or anticipated **Crisis Event** shall be reported to the **Company** as soon as practicable, but in no event later than thirty (30) days after the **Public Entity** first incurs **Crisis Management Expenses** for which coverage will be requested under this **Policy**.

VI. ESTATES, LEGAL REPRESENTATIVES AND SPOUSES

The estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners of **Insureds** shall be considered **Insureds** under this **Policy**; but coverage is afforded to such estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners only for a **Claim** arising solely out of their status as such and, in the case of a spouse or legally recognized domestic partner, where the **Claim** seeks damages from marital community property, jointly held property or property transferred from a natural person **Insured** to the spouse or legally recognized domestic partner. No coverage is provided for any **Wrongful Act** of an estate, heir, legal representative, assign, spouse or legally recognized domestic partner. All of the terms and conditions of this **Policy** including, without limitation, the Retention applicable to **Damages** and **Claims Expenses** incurred by **Insureds** shown in Item 4 of the Declarations, shall also apply to **Damages** and **Claims Expenses** incurred by such estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners.

VII. EXTENDED REPORTING PERIODS

If the **Insurer** terminates or does not renew this **Policy** (other than for failure to pay a premium when due), or if the **Public Entity** terminates or does not renew this **Policy** and does not obtain replacement coverage as of the effective date of such cancellation or non-renewal, the **Public Entity** shall have the right, upon payment of the additional premium described below, to a continuation of the coverage granted by this **Policy** for at least one **Extended Reporting Period** as follows:

A. Automatic **Extended Reporting Period**

The **Public Entity** shall have continued coverage granted by this **Policy** for a period of 60 days following the effective date of such termination or nonrenewal, but only for **Claims** first made during such 60 days and arising from **Wrongful Acts** taking place prior to the effective date of such termination or nonrenewal. This Automatic **Extended Reporting Period** shall immediately expire upon the purchase of replacement coverage by the **Public Entity**.

B. Optional **Extended Reporting Period**

The **Public Entity** shall have the right, upon payment of the additional premium set forth in Item 7A of the Declarations, to an Optional **Extended Reporting Period**, for the period set forth in Item 7B of the Declarations following the effective date of such cancellation or nonrenewal, but only for **Claims** first made during such Optional **Extended Reporting Period** and arising from **Wrongful Acts** taking place prior to the effective date of such termination or nonrenewal.

This right to continue coverage shall lapse unless written notice of such election is given by the **Public Entity** to the **Insurer**, and the **Insurer** receives payment of the additional premium, within 30 days following the effective date of termination or nonrenewal.

The first 60 days of the Optional **Extended Reporting Period**, if it becomes effective, shall run concurrently with the Automatic **Extended Reporting Period**.

C. The **Insurer** shall give the **Public Entity** notice of the premium due for the **Extended Reporting Period** as soon as practicable following the date the **Public Entity** gives such notice of such election, and such

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premium shall be paid by the **Public Entity** to the **Insurer** within 10 days following the date of such notice by the **Insurer** of the premium due. The **Extended Reporting Period** is not cancelable and the entire premium for the **Extended Reporting Period** shall be deemed fully earned and non-refundable upon payment.

D. The **Extended Reporting Period**, if elected, shall be part of and not in addition to the Limit of Liability for the immediately preceding **Policy Period**. The purchase of the **Extended Reporting Period** shall not increase or reinstate the Limit of Liability, which shall be the maximum liability of the **Insurer** for the **Policy Period** and **Extended Reporting Period**, combined.

E. A change in **Policy** terms, conditions, exclusions and/or premiums shall not be considered a nonrenewal for purposes of triggering the rights to the Automatic or Optional **Extended Reporting Period**.

VIII. LIMITS OF LIABILITY

A. Payment of **Claims Expenses** without reduction of the Limit of Liability

1. The **Insurer** shall pay **Claims Expenses** in excess of the applicable Retention and up to an aggregate amount equal to the Limit of Liability stated in Item 3 of the Declaration without reduction of the applicable Limit of Liability. The total amount of such **Claims Expense** payments by the **Insurer** shall be capped at the amount of the Limit of Liability, and is not on a per **Claim** basis.

2. Once the **Insurer** has paid the amount set forth in Item 3. of the Declarations in aggregate **Claims Expenses** arising from or relating to any and all matters, all further payments by the **Insurer** of **Claims Expenses** shall reduce the applicable Limit of Liability.

B. Limit of Liability

1. Except as otherwise stated in section VIII.A, the **Insurer's** maximum liability for the sum of all **Damages** and all **Claims Expenses** because of all **Claims,** (including all **Claims** alleging any **Interrelated Wrongful Acts**) first made and reported during the **Policy Period** shall never exceed the amount stated in Item 3 of the Declarations.

2. All **Claims** arising out of the same **Wrongful Act** and all **Interrelated Wrongful Acts** of the **Insureds** shall be deemed to be one **Claim**, and such **Claim** shall be deemed to be first made on the date the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period**. All **Damages** and all **Claims Expenses** resulting from a single **Claim** shall be deemed a single **Damage** and **Claims Expense** and shall be allocable to the policy in effect on the date the **Claim** is first made, regardless of whether such date is before or during the **Policy Period**.

3. Except as otherwise stated in section VIII.A, any payment of **Damages** and/or **Claims Expenses** by the **Insurer** will reduce the Limit of Liability stated in Item 3 of the Declarations.

4. The **Insurer** is entitled to pay **Damages** and **Claims Expenses** as they become due and payable by the **Insureds**, without consideration of other future payment obligations.

5. Once the Limit of Liability has been exhausted by payments of any **Damages** (regardless of whether the payment by the **Insurer** of **Claims Expenses** under section VIII.A. has exhausted, reached or exceeded the amount set forth in Item 3 of the Declarations), the obligations of the **Insurer** under this **Policy** shall be completely fulfilled and extinguished.

6. The **Crisis Management Fund** is the **Insurer's** maximum liability for all **Crisis Management Expenses** arising from any and all **Crisis Events** occurring during the **Policy Period.** This limit shall be the **Insurer's** maximum liability under this policy regardless of the number of **Crisis Events** reported during the **Policy Period**. The **Insurer's** obligation to pay **Crisis Management Expense** terminates and ends upon the exhaustion of the **Crisis Management Fund**. The **Crisis Management Fund** shall be in addition to the aggregate Limit of Liability set forth in Item 3 of the Declarations.

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IX. RETENTION

A. The liability of the **Insurer** shall apply only to that part of **Damages** and **Claims Expenses** which are in excess of the applicable Retention amount shown in Item 4 of the Declarations. Such Retention shall be borne uninsured by the **Public Entity** and at the risk of all **Insureds**.

B. A single Retention amount shall apply to **Damages** and **Claims Expenses** arising from all **Claims** alleging **Interrelated Wrongful Acts**.

C. If different parts of a single **Claim** are subject to different Retentions, the applicable Retention shall be applied separately to each part of the **Damages** and **Claims Expenses**, but the sum of such Retentions shall not exceed the largest applicable Retention.

X. NOTICE

For coverage under this **Policy** (other than coverage for a **Crisis Event):**

A. The **Insured** shall, as a condition precedent to their rights under this **Policy**, give to the **Insurer** written notice of any **Claim** as soon as practicable, but in no event later than 30 days after: (1) the end of the **Policy Period**, or (2) with respect to **Claims** first made during any applicable Automatic or Optional **Extended Reporting Period**, the end of such Automatic or Optional **Extended Reporting Period**.

B. If, during the **Policy Period**, any **Insured** becomes aware of any specific **Wrongful Act** which may reasonably give rise to a future **Claim** covered under this **Policy**, and if the **Insureds** give written notice to the **Insurer** during the **Policy Period**, the Automatic **Extended Reporting Period**, or, if elected, the Optional **Extended Reporting Period** of:

1. the identity of the potential claimants;

2. a description of the anticipated **Wrongful Act** allegations;

3. the identity of the **Insureds** allegedly involved;

4. the circumstances by which the **Insureds** first became aware of the **Wrongful Act**;

5. the consequences which have resulted or may result; and

6. the nature of the potential monetary damages;

then any **Claim** which arises out of such **Wrongful Act** shall be deemed to have been first made at the time such written notice was received by the **Insurer**. No coverage is provided for fees, expenses and other costs incurred prior to the time such **Wrongful Act** results in a **Claim**.

C. All notices under any provision of this **Policy** shall be in writing and given by prepaid express courier, certified mail or facsimile transmission properly addressed to the appropriate party. Notice to the **Insureds** may be given to the **Public Entity** at the address shown in Item 1 of the Declarations. Notice to the **Insurer** of any **Claim** or **Wrongful Act** shall be given to the **Insurer** at the address set forth in Item 5A of the Declarations. All other notices to the **Insurer** under this **Policy** shall be given to the **Insurer** at the address set forth in Item 5B of the Declarations. Notice given as described above shall be deemed to be received and effective upon actual receipt thereof by the addressee, or one day following the date such notice is sent, whichever is earlier.

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XI. PRESUMPTIVE INDEMNIFICATION

A. The **Public Entity** agrees to indemnify the **Insured Persons** to the fullest extent permitted by law, taking all steps necessary or advisable in furtherance thereof, including the making in good faith of any application for court approval. The **Public Entity** further agrees to advance **Defense Costs** actually and reasonably incurred by any **Insured Person** in defending any threatened, pending or contemplated action, suit or proceeding prior to a final disposition of any such action, suit or proceeding and shall not require any determination or adjudication, interim or final, of the entitlement of the **Insured Person** to indemnification, where permitted by law to do so. The financial ability of any **Insured Person** to make repayment shall not be a prerequisite to the making of such an advance, and the right to receive advancement of **Claims Expenses** herein is a contractual right. The agreements contained in this paragraph are binding upon the **Public Entity** and enforceable by the **Insurer** or the **Insured Persons**.

B. Notwithstanding anything in this section to the contrary, the **Public Entity's** indemnification obligations under this section shall not apply in the event the **Public Entity** is neither permitted nor required to grant such indemnification either because of the appointment by any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate the **Public Entity**, or because of the **Public Entity** becoming a debtor-in-possession.

XII.OTHER INSURANCE

If any **Damages** or **Claims Expenses** covered under this **Policy** are covered under any other valid and collectible insurance, then this **Policy** shall cover such **Damages** or **Claims Expenses**, subject to its terms and conditions, only to the extent that the amount of such **Damages** or **Claims Expenses** are in excess of the amount of such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided by this **Policy**.

XIII. REPRESENTATIONS

A. The **Insureds** represent and acknowledge that the statements and information contained in the **Application** are true and accurate and:

1. are the basis of this **Policy** and are to be considered as incorporated into and constituting a part of this **Policy**; and

2. shall be deemed material to the acceptance of this risk or the hazard assumed by the **Insurer** under this **Policy**.

B. It is understood and agreed that this **Policy** is issued in reliance upon the truth and accuracy of such representations.

C. It is understood and agreed that if such representations or such information are not true, accurate and complete, this **Policy** shall be null and void in its entirety and the **Insurer** shall have no liability hereunder as to: (1) any **Insured Person** who knew the facts misrepresented or omitted, whether or not such **Insured Person** knew of the **Application** or this **Policy**; and (2) the **Public Entity**. For purposes of this subsection C, the knowledge of any **Insured Person** shall not be imputed to any other **Insured Person**.

XIV. TERMINATION OF THE POLICY

A. This **Policy** shall terminate at the earliest of the following times:

1. the effective date of termination specified in a prior written notice by the **Public Entity** to the **Insurer**;

2. 60 days after receipt by the **Public Entity** of a written notice of termination from the **Insurer**;

3. 10 days after receipt by the **Public Entity** of a written notice of termination from the **Insurer** for failure to pay a premium when due, unless the premium is paid within such 10 day period;

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4. upon expiration of the **Policy Period** as set forth in Item 2 of the Declarations; or

5. at such other time as may be agreed upon by the **Insurer** and the **Public Entity**.

B. If the **Policy** is terminated by the **Public Entity**, or by the **Insurer**, the **Insurer** shall refund the unearned premium computed *pro rata*. Payment or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of such termination, but such payment shall be made as soon as practicable.

XV. TERRITORY AND VALUATION

A. All premiums, limits, retentions, **Damages**, **Claims Expenses** and other amounts under this **Policy** are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated or another element of **Damages** and **Claims Expenses** under this **Policy** is stated in a currency other than United States of America dollars, payment under this **Policy** shall be made in United States dollars at the applicable rate of exchange as published in *The Wall Street Journal* as of the date the final judgment is reached, the amount of the settlement is agreed upon or the other element of **Damages** or **Claims Expenses** is due, respectively or if not published on such date, the next date of publication of *The Wall Street Journal*.

B. Coverage under this **Policy** shall extend to **Wrongful Acts** taking place or **Claims** made or **Damages** or **Claims Expenses** sustained anywhere in the world, provided the **Claim** is made within the jurisdiction of and subject to the laws of the United States of America, Canada or their respective territories or possessions.

XVI. SUBROGATION

In the event of any payment under this **Policy**, the **Insurer** shall be subrogated to the extent of such payment to all the rights of recovery of the **Insureds**. The **Insureds** shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the **Insurer** effectively to bring suit or otherwise pursue subrogation rights in the name of the **Insureds**.

XVII. ACTION AGAINST THE INSURER AND BANKRUPTCY

Except as set forth below in Section XX, Alternative Dispute Resolution, no action shall lie against the **Insurer**. No person or organization shall have any right under this **Policy** to join the **Insurer** as a party to any action against any **Insured** to determine the liability of the **Insured** nor shall the **Insurer** be impleaded by any **Insured** or its legal representatives. Bankruptcy or insolvency of any **Insured** or of the estate of any **Insured** shall not relieve the **Insurer** of its obligations nor deprive the **Insurer** of its rights or defenses under this **Policy**.

XVIII. AUTHORIZATION CLAUSE

By the acceptance of this **Policy**, the **Public Entity** agrees to act on behalf of all **Insureds** with respect to the giving and receiving of notice of **Claim**, the giving or receiving of notice of termination or non renewal, the payment of premiums and the receiving of any premiums that may become due under this **Policy**, the agreement to and acceptance of endorsements, consenting to any settlement, exercising the right to the **Extended Reporting Period**, and the giving or receiving of any other notice provided for in this **Policy**, and all **Insureds** agree that the **Public Entity** shall so act on their behalf.

XIX. ALTERATION, ASSIGNMENT AND HEADINGS

A. Notice to any agent or knowledge possessed by any agent or by any other person shall not affect a waiver or a change in any part of this **Policy** nor prevent the **Insurer** from asserting any right under the terms of this **Policy**.

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B. No change in, modification of, or assignment of interest under this **Policy** shall be effective except when made by a written endorsement to this **Policy** which is signed by an authorized representative of the **Insurer**.

C. The titles and headings to the various parts, sections, subsections and endorsements of the **Policy** are included solely for ease of reference and do not in any way limit, expand or otherwise affect the provisions of such parts, sections, subsections or endorsements.

XX. ALTERNATIVE DISPUTE RESOLUTION

The **Insureds** and the **Insurer** shall submit any dispute or controversy arising out of or relating to this **Policy** or the breach, termination or invalidity thereof to the alternative dispute resolution ("ADR") process set forth in this section.

Either an **Insured** or the **Insurer** may elect the type of ADR process discussed below; provided, however, that the **Insured** shall have the right to reject the choice by the **Insurer** of the type of ADR process at any time prior to its commencement, in which case the choice by the **Insured** of ADR process shall control.

There shall be two choices of ADR process:

A. non-binding mediation administered by any mediation facility to which the **Insurer** and the **Insured** mutually agree, in which the **Insured** and the **Insurer** shall try in good faith to settle the dispute by mediation in accordance with the then-prevailing commercial mediation rules of the mediation facility; or

B. arbitration submitted to any arbitration facility to which the **Insured** and the **Insurer** mutually agree, in which the arbitration panel shall consist of three disinterested individuals.

In either mediation or arbitration, the mediator or arbitrators shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. In the event of arbitration, the decision of the arbitrators shall be final and binding and provided to both parties, and the award of the arbitrators shall not include attorneys' fees or other costs.

In the event of mediation, either party shall have the right to commence a judicial proceeding; provided, however, that no such judicial proceeding shall be commenced until at least 60 days after the date the mediation shall be deemed concluded or terminated. In all events, each party shall share equally the expenses of the ADR process.

Either ADR process may be commenced in New York, New York or in the state indicated in Item 1 of the Declarations as the principal address of the **Public Entity**. The **Public Entity** shall act on behalf of each and every **Insured** in connection with any ADR process under this section.

XXI. INTERPRETATION

The terms and conditions of this **Policy** shall be interpreted and construed in an evenhanded fashion as between the parties. If the language of this **Policy** is deemed to be ambiguous or otherwise unclear, the issue shall be resolved in the manner most consistent with the relevant terms and conditions, without regard to authorship of the language, without any presumption or arbitrary interpretation or construction in favor of either the **Insureds** or the **Insurer** and without reference to the reasonable expectations of either the **Insureds** or the **Insurer**.

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ACE Municipal Advantage℠
Public Entity Liability Application

NOTICE

The Policy for which you are applying is written on a claims-made and reported basis. Only claims first made against the Insured and reported to the Company during the Policy Period are covered subject to the Policy Provisions.

The Limits of Liability stated in the Policy are reduced, and may be exhausted, by Claims Expenses. Claims Expenses are also applied against your Retention, if any. If you have any questions about coverage, please discuss them with your insurance agent.

INSTRUCTIONS

Please type or print all answers clearly. Answer all questions completely, leaving no blanks. If there is insufficient space to complete an answer, please continue on a separate sheet indicating the question number. If any questions, or any part thereof, do not apply, print N/A in the space. Insert checks in Yes or No answer boxes, if any. This application must be completed, signed, and dated by an authorized officer of your firm. Underwriters will rely on all statements made in this application.

The information requested in this application is for underwriting purposes only and does not constitute notice to the Company under any Policy of a claim or potential claim. All such notices must be submitted to the Company pursuant to the terms of the Policy, if and when issued.

Please attach copies of the following:

- Audited Financial Statement or Budget for the most recent available fiscal year, if the applicant has more than $500,000,000 in Annual Budget
- Minimum of last 3 years of liability claim loss runs (5 years desired)
- Current Employee Handbook including procedures on sexual harassment, discrimination and employee grievances, if the applicant has more than 1,500 full-time and part-time employees
- Copy of the **Public Entity's** Employment Termination procedures, if the applicant has more than 1,500 full-time and part-time employees

1. Name of **Public Entity**: San Diego Regional Housing Finance Authority Year Established: 2025
2. Principal Address: c/o 4100 Normal Street, Room 2148

   City: San Diego State: CA Zip: 92103

   Public Entity's Website www.
3. Do you have a Full Time Risk Manager? ☐ Yes ☒ No

   Name of Risk Manager: _____ Phone Number: _____

GENERAL INFORMATION:

4. Type of **Public Entity**: ☐ Town ☐ City ☐ County ☐ State

   ☒ Special District Authority or Commission (Please indicate):

   ☐ Water/Sewer ☐ Utility (Gas/Electric/Cable) ☐ Development/Finance Authority

   ☐ Port Authority ☐ Transit Authority ☒ Housing Authority

   ☐ Airport ☐ Sports/Convention Center ☐ Parks Department

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5. Population Trends: Please provide Population information:

	CURRENT YEAR	PRIOR YEAR	2ND PRIOR YEAR
Population of Municipality	1.388M	1.388M	1.388M

Seasonal increase in population? ☐Yes ☒ No _____%

6. Budget and Employment information for the **Public Entity**.
   a. Please provide the annual budget and employee count of the **Public Entity**.
   Please <u>do not</u> include that portion of the Annual Budget that is allocated to any of the following entities: schools, hospitals, clinics, nursing homes or other health care operations, jails or detention facilities, law enforcement agencies or fire fighting authorities.

Public Entity	Current Annual Revenue/Budget	Number of Employees	
		Full Time	Part Time
	$ 500000	0	0

   b. If coverage is desired for any of the operations listed below, please provide the Budget and Employment information as requested.
   Please note: Coverage for any of these operations is subject to the review and acceptance by the underwriter and will be provided by endorsement only

Public Entity	Current Annual Revenue/Budget	Number of Employees	
		Full Time	Part Time
Schools	$		
Health Care Operations (hospitals, clinics, nursing homes, etc.)	$		
Jails or detention facilities	$		
Law enforcement agencies	$		
Fire fighting authorities	$		

7. Does the **Public Entity** employ any of the following professional staff:

Lawyers	☐ Yes ☒ No	Total Number _____
Accountants	☐ Yes ☒ No	Total Number _____
Architects/Engineers	☐ Yes ☒ No	Total Number _____

<u>FINANCIAL INFORMATION:</u>

Please provide the following information. *If "Yes" to any question below, or if the applicant has budget deficits in the past three years, please explain on a separate attachment.*

8. a) Indicate fiscal year end date: _____
   b) Please provide a budget figure for the current and prior two fiscal years:

	CURRENT YEAR	PRIOR YEAR	2ND PRIOR YEAR
Revenues	0	0	0
Expenditures	0	0	0
Outstanding Bond Issues	0	0	0
Budget Surplus (Deficit)	0	0	0

   c) Has any State or Federal funding (aid) been eliminated in the past year? ☐Yes ☒ No
   d) Does the Public Entity anticipate any special projects which will result in a substantial budget increase or decrease in the next 3 years? ☒Yes ☐ No
   e) Has the Public Entity been in default on principal or interest on any bond? ☐Yes ☒ No

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9. Please indicate if the **Public Entity's** bonds are rated (check all that apply) and their ratings from each agency:

	Rating		Rating		Rating
☐ Moody's		☐ Standard & Poor's		☐ Fitch	

PUBLIC ENTITY OPERATIONS

If the answer is "Yes" to any question below, please attach details on a separate piece of paper

10. Are the **Public Entity's** board, council or commission members elected or appointed? ☐ Elected ☒ Appointed

a) If ELECTED, are they elected via: ☐ Single Member District ☐ At Large ☐ Combination of Both

b) If APPOINTED, by whom? member districts

11. Have any of the following occurred within the past five years**:**

a) Strike, slowdown or other disruption by employees? ☐ Yes ☒ No

b) Protests or civil commotion related to **Public Entity's** operations or activities? ☐ Yes ☒ No

c) Disputes involving integration, segregation, discrimination, or violation of civil rights? ☐ Yes ☒ No

d) Grand jury investigations, recall proceedings or indictments of any elected or appointed officials? ☐ Yes ☒ No

12. Does the **Public Entity:**

a) Have zoning provisions that require a public hearing for zoning changes? ☐ Yes ☒ No

b) Have a policy and process which prohibits zoning board members from voting on actions which may conflict with their own business or investment interests? ☐ Yes ☒ No

c) Have a disaster planning document in place for both natural disasters and terrorist acts? ☐ Yes ☒ No

d) Award any jobs or projects under sole source or "no-bid" contracts? ☐ Yes ☒ No

e) Operate, license and/or regulate any child or elder care facilities, family child care or foster care homes, child adoption services, child welfare services or public housing? ☐ Yes ☒ No

13. Does the **Public Entity's** vendor contracting review process include the following:

a) Use of hold harmless provisions in all contracts? ☒ Yes ☐ No

b) Use of Indemnification provisions? ☒ Yes ☐ No

c) Transfer of liability to services provider under contract with the applicant ☐ Yes ☒ No

d) Attorney attendance and written documentation of meetings ☒ Yes ☐ No

e) Minority vendor hiring policy ☐ Yes ☒ No

EMPLOYMENT PRACTICES

If the answer is "No" to any question below, please attach details on a separate piece of paper

Does the **Public Entity:**

14. Have a Human Resources or Personnel Department? ☐ Yes ☒ No
15. Use a uniform employment application for all applicants at all locations? ☐ Yes ☒ No
16. Have a formal orientation program for all new **Employees**? ☐ Yes ☒ No
17. Regularly conduct sensitivity training or other discrimination or sexual harassment prevention education? ☐ Yes ☒ No
18. Provide regular written performance evaluations for all **Employees**? ☐ Yes ☒ No
19. Use an "800" number, intranet or similar method for the reporting of allegations of employment practices violations? ☐ Yes ☒ No
20. Have a formal out-placement program which assists terminated or laid off employees in finding other jobs? ☐ Yes ☒ No
21. Require mandatory arbitration of employment and labor related claims? ☐ Yes ☒ No
22. Require terminations to be reviewed by the following:
    - Human Resources Department? ☐ Yes ☒ No
    - Legal Department? ☐ Yes ☒ No
    - Outside Counsel? ☐ Yes ☒ No
23. Publish and distribute a uniform employment handbook? ☐ Yes ☒ No

Please indicate whether the **Public Entity** has adopted the following policies and if the policy is in the Employee Handbook:

	Adopted	In Employee Handbook
EEO Statement	☐	☐
At-will Statement	☐	☐
Sexual Harassment Policy/Procedure	☐	☐
Progressive Discipline	☐	☐
FMLA Policy	☐	☐
Pregnancy Leave Policy	☐	☐
Grievance Procedures	☐	☐
ADA Policy Requiring Reasonable Accommodation	☐	☐
Minority Hiring Policy	☐	☐
Union Hiring Policy	☐	☐
Email and Voicemail Use	☐	☐
Retention of Computer Data, Emails and Voicemail	☐	☐

24. If a *California **Public Entity,*** does the **Public Entity** Provide to its supervisory employees in that location(s), two hours of classroom or other interactive training and education regarding sexual harassment at least once every two years? ☐ Yes ☒ No

Regarding Third Party Liability exposure, does the **Public Entity:**

25. Have policies or procedures outlining **Employee** conduct when interacting with customers, clients, the general public or other third parties? ☐ Yes ☒ No
26. Have policies or procedures for dealing with complaints from customers, clients or third parties for issues involving harassment or discrimination? ☐ Yes ☒ No
27. Provide formal diversity or cultural sensitivity training for employees who interact with customers, clients or the general public? ☐ Yes ☒ No

28. Has a customer, client or third party ever submitted a written complaint or brought a civil proceeding against a proposed Insured alleging harassment, discrimination, or civil rights violations? ☐ Yes ☒ No

If "Yes", please attach details on a separate piece of paper

CLAIMS INFORMATION:

29. Has there been, or is there now pending, any **Claim(s)** against any proposed **Insured**? ☐ Yes ☒ No

30. Does any proposed **Insured** have knowledge or information of any act, error, omission, fact, circumstance, inquiry or formal or in-formal investigation which might give rise to a **Claim** under the proposed **Policy**? ☐ Yes ☒ No

31. Does any proposed **Insured** have knowledge or information of any threatened claim which might give rise to a **Claim** under the proposed **Policy**? ☐ Yes ☒ No

32. During the last 3 years have any of the **Insureds** been involved in any administrative proceedings before the Equal Employment Opportunity Commission, the U.S. Department of Labor, including the Office of Federal Contract Compliance Programs, or any state or local government agency whose purpose is to address employment-related claims? ☐ Yes ☒ No

33. Have any **Insureds** ever been the subject of a disciplinary action or required to comply with any judicial or administrative agreement, order, decree or judgment? ☐ Yes ☒ No

If "Yes" to any of Questions 29-33 please attach a detailed explanation including date of event, claimant, nature of matter, defense costs, indemnity amount, reserve amount and current status for each claim, matter, event, notice or circumstance.

It is agreed that with respect to questions 29-33 above, if such **Claim**, knowledge, information, proceeding, agreement, investigation, matter, order, decree or judgment exists, any **Claim** arising therefrom is excluded from the proposed coverage and will not be covered for **Claims Expenses,** indemnity, or **Loss** under any **Policy** issued.

CURRENT INSURANCE INFORMATION

34. Please provide Public Officials Liability and Employment Practices Liability policy information:

LAST 5 YEARS	PROFESSIONAL LIABILITY CARRIER	LIMITS	DEDUCTIBLE / RETENTION	PREMIUM
Current Year				
Prior Year				
2nd Prior Yr				
3rd Prior Yr				
4th Prior Yr				

35. Current general liability carrier and limits: _____

36. Current Law Enforcement/Police Professional Liability insurance carrier and limits: _____

FRAUD WARNING STATEMENTS

NOTICE TO ARKANSAS, LOUISIANA AND RHODE ISLAND APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO MARYLAND APPLICANTS: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO MINNESOTA APPLICANTS: A person who submits an application or files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO NEW MEXICO APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty cont to exceed five thousand dollars and the stated value of the claim for each such violation.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO VERMONT APPLICANTS: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

NOTICE TO TENNESSEE AND WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NOTICE TO ALL OTHER APPLICANTS:

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON, FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS INFORMATION FOR THE PURPOSE OF MISLEADING, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO APPLICANTS. PLEASE READ CAREFULLY

BY SIGNING THIS APPLICATION, THE APPLICANT, ON BEHALF OF ALL PROPOSED INSUREDS, WARRANTS TO THE COMPANY THAT ALL STATEMENTS MADE IN THIS APPLICATION AND ATTACHMENTS HERETO ABOUT THE APPLICANT, ITS SUBSIDIARIES, AND THEIR OPERATIONS ARE TRUE AND COMPLETE, AND THAT NO MATERIAL FACTS HAVE BEEN MISSTATED, OMITTED, SUPPRESSED, CONCEALED, OR MISREPRESENTED IN THIS APPLICATION OR ITS ATTACHMENTS . THE APPLICANT UNDERSTANDS AND AGREES THAT IF, AFTER THE DATE OF THIS APPLICATION AND PRIOR TO THE EFFECTIVE DATE OF ANY POLICY BASED ON THIS APPLICATION AND ATTACHMENTS, ANY OCCURRENCE, EVENT OR OTHER CIRCUMSTANCE SHOULD RENDER ANY OF THE INFORMATION CONTAINED IN THIS APPLICATION INACCURATE OR INCOMPLETE, THEN THE APPLICANT SHALL NOTIFY THE COMPANY OF SUCH OCCURRENCE, EVENT OR CIRCUMSTANCE AND SHALL PROVIDE THE COMPANY WITH INFORMATION THAT WOULD COMPLETE, UPDATE OR CORRECT SUCH INFORMATION. ANY OUTSTANDING QUOTATIONS MAY BE MODIFIED OR WITHDRAWN AT THE SOLE DISCRETION OF THE COMPANY.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. THE APPLICANT'S ACCEPTANCE OF THE COMPANY'S QUOTATION IS REQUIRED BEFORE THE INSURANCE MAY BE BOUND AND A POLICY ISSUED. THE APPLICANT UNDERSTANDS AND AGREES THAT THE COMPANY, IN PROPOSING TO PROVIDE INSURANCE, HAS RELIED ON THIS APPLICATION AND ALL ATTACHMENTS, AND THAT THIS APPLICATION AND ALL ATTACHMENTS, ARE (1) MATERIAL AND THE BASIS OF THE CONTRACT WITH THE COMPANY, AND (2) DEEMED TO BE A PART OF THE POLICY TO BE ISSUED AS IF PHYSICALLY ATTACHED THERETO. THE APPLICANT HEREBY AUTHORIZES THE RELEASE OF CLAIMS INFORMATION FROM ANY PRIOR INSURERS TO THE COMPANY.

THE UNDERSIGNED OFFICER OF THE APPLICANT CERTIFIES AND WARRANTS THAT HE/SHE IS DULY AUTHORIZED TO EXECUTE THIS APPLICATION ON BEHALF OF THE APPLICANT AND ITS SUBSIDIARIES.

Applicant's Signature:

_____
(Must be signed by an Officer of the Applicant)

Andra M. Greene, Interim Genera Counsel
Print Name and Title

07/14/2025
Date (Mo./Day/Yr.)

© 2013

FOR IOWA APPLICANTS ONLY:

Broker: _____

Address: _____

FOR MISSOURI APPLICANTS ONLY:

PLEASE ACKNOWLEDGE AND SIGN THE FOLLOWING DISCLOSURE TO YOUR APPLICATION FOR INSURANCE:

THE APPLICANT UNDERSTANDS AND ACKNOWLEDGES THAT THE POLICY FOR WHICH IT IS APPLYING CONTAINS A DEFENSE WITHIN LIMITS PROVISION WHICH MEANS THAT CLAIMS EXPENSES WILL REDUCE THE POLICY'S LIMITS OF LIABILITY AND MAY EXHAUST THEM COMPLETELY. SHOULD THAT OCCUR, THE APPLICANT SHALL BE LIABLE FOR ANY FURTHER CLAIMS EXPENSES AND DAMAGES.

Applicant's Signature:

_____
(Must be signed by an Officer of the Applicant)

_____
Print Name and Title

_____/_____/_____
Date (Mo./Day/Yr.)

© 2013

San Diego RHFA Learning Series

SB 440 Session 1: Agency Formation



Thursday, September 25, 2025

12:00 – 2:00pm

San Diego County Community College District

3375 Camino del Rio South

San Diego, CA 92108

GLOBAL POLICY LEADERSHIP ACADEMY

TODAYS LEARNING OBJECTIVES



1. Define what Regional Housing Finance Authorities (RHFAs) are, their history, and how they function.
2. Understand a RHFA's governing structure and powers as set forth in SB 440.
3. Understand where to access the authorizing legislation



SB 440: AGENCY FORMATION

AUTHORIZING LEGISLATION: SB 440

Bill Structure and Overview

Access the bill here

September Board Learning Session

Part 1: Authority Formation

- Chapter 1: General Provisions
- Chapter 2: Governing Structure
- Chapter 3: Authority Powers
- Chapter 4: Financial Provisions

October Board Learning Session

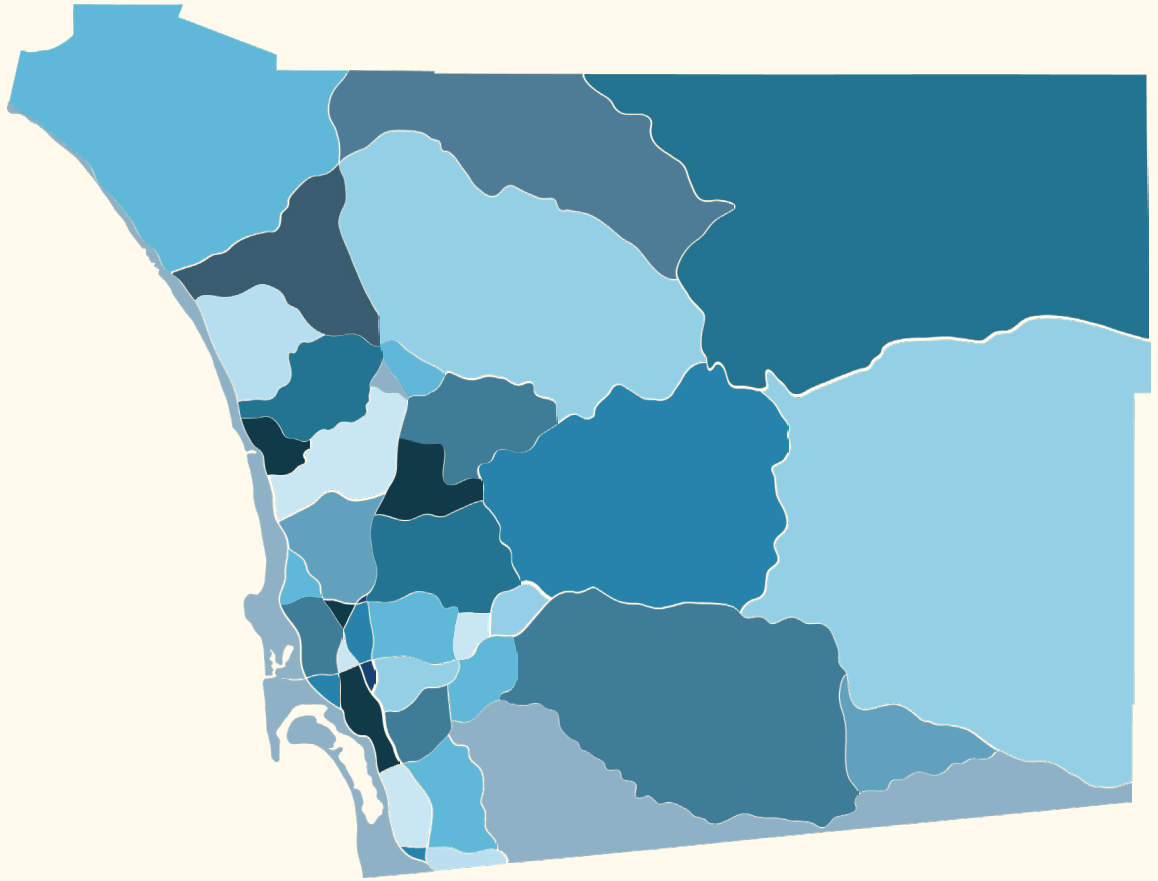
Part 2: Authority Financing Activities

- Chapter 1: General Provisions
- Chapter 2: Revenue
  - Article 1: Special Taxes
  - Article 2: Commercial Linkage Fee
  - Article 3: Bonds
- Chapter 3: Expenditures

WHAT ARE RHFAs AND HOW DO THEY WORK?



REGIONAL HOUSING FINANCE AUTHORITIES



Characteristics of an RHFA

- Regional- or sub-regional authority comprising **two or more** local governments that aim to address the housing and homelessness crisis

- **Local govts** = city, county, special district, including a school district or community college district

- Authority to **raise and allocate** revenue through specified funding mechanisms.



Entities that are NOT RHFAs: public housing authorities, community land trusts, housing trust funds

HOW RHFAs WORK: Financial Operations



Regional Housing Finance Authority

Self-sustaining cycle of investment

Low-cost loans and grants for low- and moderate-income housing development, acquisition, or rehabilitation



Income from lease holdings, rental income, loan repayment, etc.



Monies from taxes, fees, bond issuance, etc.





REGIONAL HOUSING FINANCE AUTHORITIES

Two Predecessor RHFAs in CA | Different Rules & Structures

Bay Area Housing Finance Authority (BAHFA)

2019: AB 1487 (Chiu)

Bay Area Housing Finance Authority

Regional Housing Finance Authorities (e.g., SD RHFA)

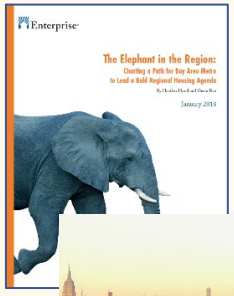
2024: SB 440 (Skinner)

2022: SB 679 (Kamlager)

LA County Affordable Housing Solutions Agency (LACAHSA)

Los Angeles County Affordable Housing Solutions Agency

REGIONAL JOURNEY | BAY AREA 2017-PRESENT









2017-2019 COMMUNITY PROCESS

19-month community process

Breaks through intractable disagreements around development; creates 3Ps produce, preserve, protect framework

2018 STUDY TRIP

Groundbreaking Report New York City Trip

Case made for the Bay Area needing a dedicated housing funds for the 3Ps and an entity to raise and deploy funding at scale

Tour of New York City funding and finance agencies with 40 Bay Area housing leaders attending; lessons learned applied to the region

2019 ENABLING LEGISLATION

AB 1487

Governor signs Chiu-authored legislation (Enterprise and NPH as co-sponsors) on 10/18/19 creating BAHFA as a new regional housing finance authority

2020 - 2021 INTERIM CAPITALIZATION

State allocates $20 mm for 3 years of start-up and pilots

2022 - 2023 LAUNCH

BAHFA staffs up and launches 5 pilots, including Doorway

Regional agencies vote explore a future housing measure

2024-5 INTERIM CAPITALIZATION continues

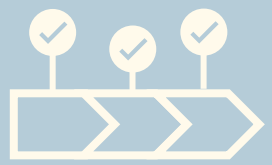
State measure to set the voter threshold to 55% for local affordable housing and public infrastructure bonds placed on the ballot as Prop 5 fails

Regional agencies decide to extend timeline for a future Bay Area housing measure

PROGRAMS | BAHFA

CURRENT PROGRAMS & PROJECTS

Currently in operation – funded through interim capitalization



Doorway



Regional Affordable Housing Pipeline



Affordable Housing Preservation Pilots



Anti-Displacement & Homelessness Prevention Pilots

FUNDING PROGRAMS

Following housing measure approval



Multifamily Rental Production



Innovation Program



Preservation Program



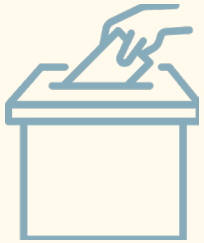
Tenant Protections Program

REGIONAL JOURNEY | LA COUNTY 2021-PRESENT

Actions/Results

Implementation

LACAHSA







2021-2022
COMMUNITY PROCESS

United Way LA as Backbone to build the movement for the Los Angeles County Affordable Housing Solutions Agency

2022
AUTHORIZATION

SB679 LACAHSA signed by Governor (September)

2023-2024
LAUNCH & CAPITALIZATION

LACAHSA launches

Measure A approved: ½ cent sales tax = **$1.21 billion** for FY25-26

2025
CAPITAL FLOWS

Implementation begins with **$1.1 billion for FY25-26**

Expenditure Plan **approved June 2025** (3 years after authorization)

PROGRAMS | LACAHSA

FUNDING PROGRAMS

Approved through
LACAHSA Expenditure Plan



Production, Preservation & Ownership (60%)

- **60%** of total revenue
- Funding to **jurisdictions** (cities, counties, COGs) for **new construction, preservation, acquisition, rent, operating subsidies**
- Affordability requirements



Renter Protections & Homelessness Prevention (30%)

- **30%** of total revenue
- Funding to **jurisdictions** (cities, counties, COGs) for **rental and relocation assistance, legal services, training, renter education, financial assistance, income support**

Technical Assistance (5%)

- **5%** of total revenue
- Funding to **jurisdictions** (cities, counties, COGs) for **direct TA, program design, administration, monitoring & evaluation**



HOW SHOULD RHFAs BE FORMED UNDER SB 440?

SB 440 – Regional Housing Finance Authorities

SB 440: Regional Housing Finance Act

- Introduced by State Senator Nancy Skinner, approved by the legislature and **signed into law in Sept 2024, effective Jan 1, 2025**.

- Authorizes RHFA formation **without needing separate state legislative approval**.

- RHFAs cannot be established within BAHFA or LACAHSA's jurisdictions[1]

Note[1]: California Government Code, Sec 62505.1 (Part 1, Chapter 1: General Provisions)



State Senator Nancy Skinner, Author of SB440

SB 440 – Regional Housing Finance Authorities

- Modeled after joint powers authorities, but with **additional authority** to tax / issue bonds
- Create **regional** or sub-regional vs jurisdictional funding, & enables customization of funding programs to region's needs: housing, homelessness, homeownership, innovation, etc.
- Additive to federal, state, and local resources

PURPOSE[1]

- Raise and administer funding for affordable housing **development, preservation**, and **supportive infrastructure**
- Housing to serve a range of incomes and housing types, including **rental and owner-occupied**
- Housing for **extremely low- to moderate-income households** (up to 120% AMI; 150% AMI in high-cost areas)

Note[1]: California Government Code, Sec 62505.(a)(d), 62590(a)(1) , 62590.1.(a). (Part 1, Chapter 1: General Provisions)

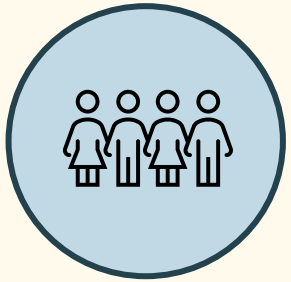
HOW RHFAs WORK: Governance[1]

Board of Directors
elected officials; represents 2 or more jurisdictions



establishes

consults + recommends



Advisory Committee
Subject Matter Experts

Governed by a **RHFA Board of Directors**

- Min 3 directors
- All elected officials representing RHFA member jurisdictions in proportion to jurisdiction population
- Members serve 2-year terms
- Elect 1 chairperson and 1 vice chairperson at first meeting of each calendar year

Advisory Committee provides recommendations to the Board

- Assists in development of funding guidelines and overall implementation
- **Consists of experts "with knowledge and experience in affordable housing finance, development, management"**
- *Moving-to-work agencies in the RHFA's jurisdiction have the right (but not the obligation) to be a representative on the committee*
- RHFAs in large counties: **9 representatives**
- RHFAs in smaller counties: 5 representatives

Note[1]: California Government Code, Sec 62505, 62506, 62510. (Part 1, Chapter 2. Governing Structure)

RHFA POWERS

In California, RHFAs established under SB 440 can[1]:

- **Accept and expend funds** from state, local, federal philanthropic, or private sources
- **Place revenue measures on the ballot**
- Allocate and deploy capital and generate fees or income
- **Acquire, hold, manage existing buildings**
- **Land bank:** assemble parcels, lease, purchase, accept surplus property, or otherwise acquire land
  - Cannot acquire property through eminent domain
- Collect data on housing production and provide TA to local governments
- **Establish financing districts** (infrastructure districts and climate resilience districts)



Note[1]: California Government Code, Sec 62520 (Part 1, Chapter 3. Authority Powers)

ACTIVITY: RHFA EXCHANGE PREP

- **RHFA Exchange**
  - October 27 – 29, 2025 (Mon – Wed) , Long Beach
  - ***Attendees:*** Stakeholders from BAHFA, LACAHSA, San Diego
  - ***Agenda***
    - Day One: Overview of 3 RHFAs' Formation Stories and Enabling Legislation
    - Day Two: LACAHSA Measure A Campaign; Current Implementation and Near-Term Plans
    - Day Three: Cross-Regional Cooperation and Next Steps

- **Today's Activity**
  - What do we want to learn from BAHFA, LACAHSA, and other stakeholders during the RHFA exchange related to agency formation?



Q&A



NEXT MONTH'S SESSION: LEARNING OBJECTIVES

SB 440: RHFA Financing Activities

- **Allowable funding mechanisms**
- **Allowable expenditures**
- **October RHFA takeaways**



THANK YOU!



San Diego Regional Housing Finance Authority (SD-RHFA):

Strategic Framework Review
Values, Mission, & Vision



Thursday, September 25, 2025

12:00 – 2:00pm

San Diego County Community College District

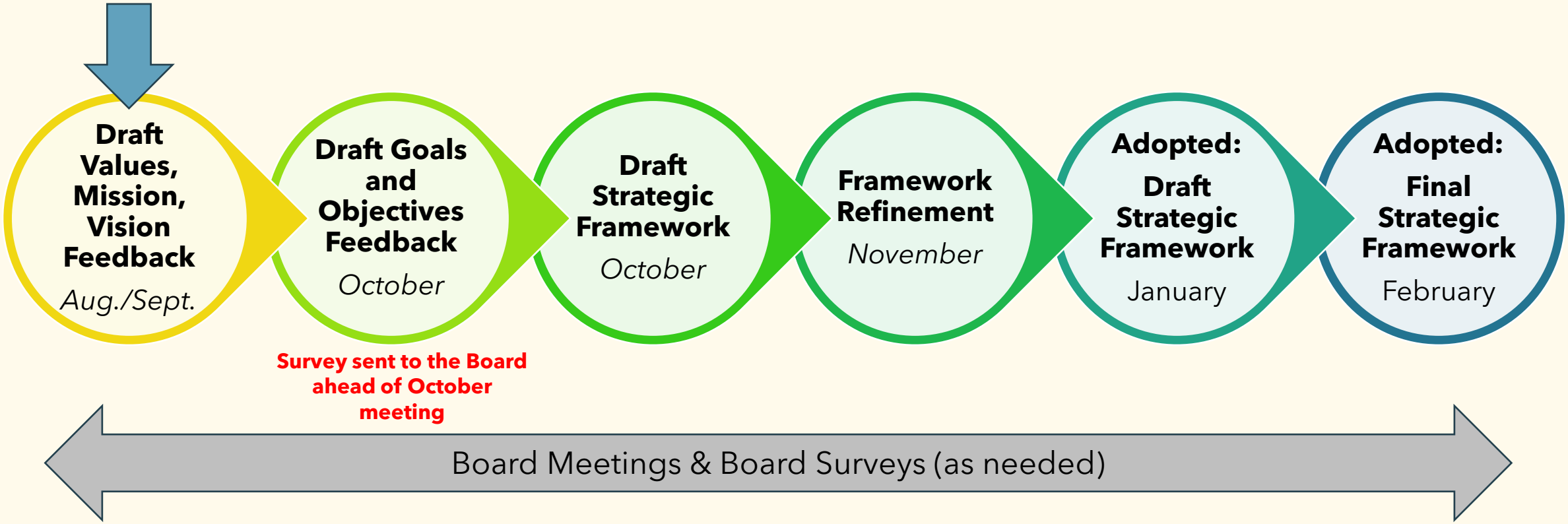
3375 Camino del Rio South

San Diego, CA 92108

GLOBAL POLICY
LEADERSHIP ACADEMY

BUILDING SD-RHFA'S STRATEGIC FRAMEWORK
PROPOSED TIMELINE

By the Q1 2026, draft an agency-wide strategic framework, consisting of mission, vision, values, goals, and objectives that is circulated for review/refinement through engagement with key stakeholders.



BUILDING SD-RHFA'S STRATEGIC FRAMEWORK
OVERVIEW AND WHY IT MATTERS

Phase 1: Strategic Framework *(Values, Vision, Mission, Goals, Objectives)*

- Establishes foundation; ensures SD-RHFA speaks with one voice
- Sets overall direction without specifying the "how" or the exact metrics
- Shapes Advisory Committee and guides Expenditure Plan decisions

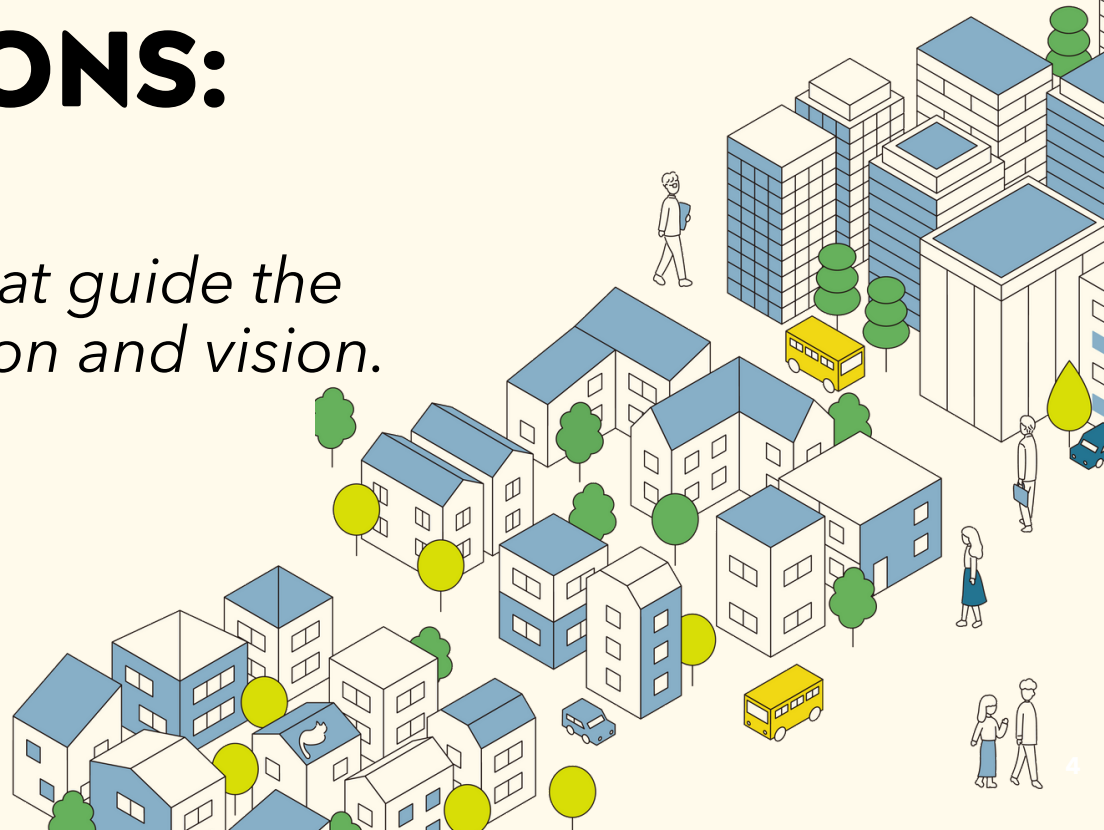
Phase 2: Strategic Plan *(Strategies & Metrics)*

- Defines how goals/progress will be achieved/tracked
- Provides detail to operationalize framework and report progress
- Feeds directly into Expenditure Plan and satisfies Annual Reporting requirements.

Statutory requirements per SB 440 (deeper dive on SB 440 at 9/25 Board Meeting)

A. VALUES + DESCRIPTIONS:

Definition: beliefs, standards, or principles that guide the organization/team in accomplishing its mission and vision.



A. TURNING INPUT INTO IMPACT:
SD-RHFA CORE VALUES

Community Focus

We center equity, dignity, and lived experience to ensure housing systems reflect the needs of those most impacted.

Governance & Accountability

We build public trust by practicing transparency, demonstrating responsible stewardship, and making ethical decisions.

Operational Excellence

We act boldly and persistently to deliver measurable housing results.

Innovation & Resilience

We embrace new solutions and ensure they endure over time.

Regional Impact

We connect housing to education, health, and community well-being to transform the San Diego region.

B. MISSION STATEMENTS



B. MISSION STATEMENT
OVERVIEW

MISSION DEFINITION:

The organization/team's core purpose and focus to aid in prioritizing work and intended direction. It is something to be accomplished based on the organization's vision.

Criteria:
- Motivates and inspires stakeholder commitment
- Is realistic and clear
- Is specific, short, sharply focused, and memorable

Statements should be:

- Aligned with the work of SD-RHFA
- Aspirational, yet realistic
- Descriptive and actionable
- Distinct, yet complementary (avoid repetition)

Statements should not be:

- Too wordy and/or jargony (e.g., San Diego Regional Housing Finance Authority)
- Unrealistic and/or unattainable
- Misaligned with the work of SD-RHFA

B. MISSION STATEMENT
BOARD FEEDBACK

Too lengthy

- Wordy and difficult to remember
- Crisper phrasing that could be easily repeated in public settings

Too generic

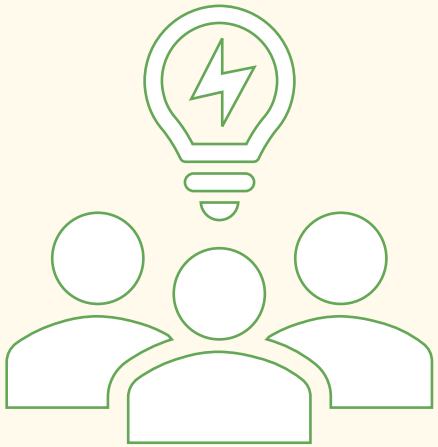
- Board asked for more distinct, locally rooted language that reflects SD-RHFA's unique role and purpose

Problematic language

- Concerns about stigma or voter perception around certain terms (e.g., "affordable housing" being polarizing or politically charged)

Clarity and focus

- Desire for statements that emphasize systems change and unit production, not just individual outcomes



B. TURNING INPUT INTO IMPACT:
DRAFT MISSION STATEMENTS

Mission statement: the organization/team's core purpose and focus to aid in prioritizing work and intended direction. It is something to be accomplished based on the organization's vision.

Bringing/Welcoming working families back to San Diego.

Expanding **livable/sustainable** communities for working families.

Building pathways to stable, quality homes for every San Diego family.

Expanding housing choices near opportunity for San Diego's workforce.

B. TURNING INPUT INTO IMPACT:
REFINING OUR MISSION STATEMENT

We've heard your feedback that mission statements should be clear, concise, and actionable.

Today's goal is to refine and narrow toward one statement (or a synthesized version) that best reflects SD-RHFA's purpose.

Current Options	Guiding Considerations	Action for Today
• **Bringing/Welcoming** working families back to San Diego. • Expanding **livable/sustainable** communities for working families. • Building pathways to stable, quality homes for every San Diego family. • Expanding housing choices near opportunity for San Diego's workforce.	• Keep it **short, memorable, and distinct**. • Reflect SD-RHFA's role in housing finance, policy, and program delivery. • Show **who we serve** (e.g., working families, middle of the affordability curve). • Be inspirational yet grounded in action and results.	• Which statement (or combination) best reflects our mission? • What refinements are needed to improve clarity and resonance? • Can we narrow to one draft to bring back for **final review in October**?

C. VISION STATEMENTS



C. VISION STATEMENTS
OVERVIEW

VISION DEFINITION

A vivid and compelling description of the organization/team and its clients/customers in the future.

Criteria:
- Understood and shared by members of the community
- Broad enough to include a diverse variety of local perspectives
- Inspiring and uplifting to everyone involved in your effort
- Easy to communicate (short)

Statements should be:

- Aligned with the work of SD-RHFA
- Aspirational, yet realistic
- Descriptive and actionable
- Distinct, yet complementary (avoid repetition)

Statements should not be:

- Too wordy and/or jargony (e.g., San Diego Regional Housing Finance Authority)
- Unrealistic and/or unattainable
- Misaligned with the work of SD-RHFA

C. VISION STATEMENT
BOARD FEEDBACK (SAME FOR MISSION)

Too lengthy

- Wordy and difficult to remember
- Crisper phrasing that could be easily repeated in public settings

Too generic

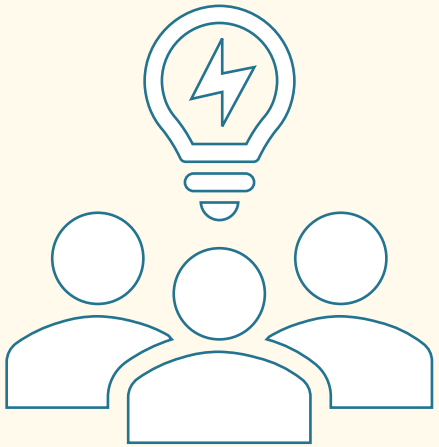
- Board asked for more distinct, locally rooted language that reflects SD-RHFA's unique role and purpose

Problematic language

- Concerns about stigma or voter perception around certain terms (e.g., "affordable housing" being polarizing or politically charged)

Clarity and focus

- Desire for statements that emphasize systems change and unit production, not just individual outcomes



C. TURNING INPUT INTO IMPACT:
DRAFT VISION STATEMENTS

Vision statement: a vivid and compelling description of the organization/team and its clients/customers in the future.

Empowering every community (with housing, education, and opportunity) so no zip code defines future outcomes.

Igniting bold housing solutions that strengthen education, transportation, and community well-being for generations.

Securing safe and stable homes that create generational stability, shared prosperity, and sustainable communities.

C. TURNING INPUT INTO IMPACT:
REFINING OUR VISION STATEMENT

We've heard your feedback that vision statements should be clear, concise, and actionable.

Today's goal is to refine and narrow toward one statement (or a synthesized version) that best reflects SD-RHFA's purpose.

Current Options	Guiding Considerations	Action for Today
• Empowering every community (with housing, education, and opportunity) so no zip code defines future outcomes. • Igniting bold housing solutions that strengthen education, transportation, and community well-being for generations. • Securing safe and stable homes that create generational stability, shared prosperity, and sustainable communities.	• Keep it **short, memorable, and distinct**. • Reflect SD-RHFA's role in long-term systems change. • Balance **community care** and **sustainability**. • Speak to **existing and future** residents.	• Which vision option (or combination) resonates most with you? • What refinements would make the vision clearer and more compelling? • Can we narrow to one draft to bring back for **final review in October**?

D. GOALS & STATEMENTS



D. GOALS
OVERVIEW

GOALS DEFINITION

Outcomes SD-RHFA is committed to achieving (5-year outcomes and reviewed annually for progress.

Criteria:

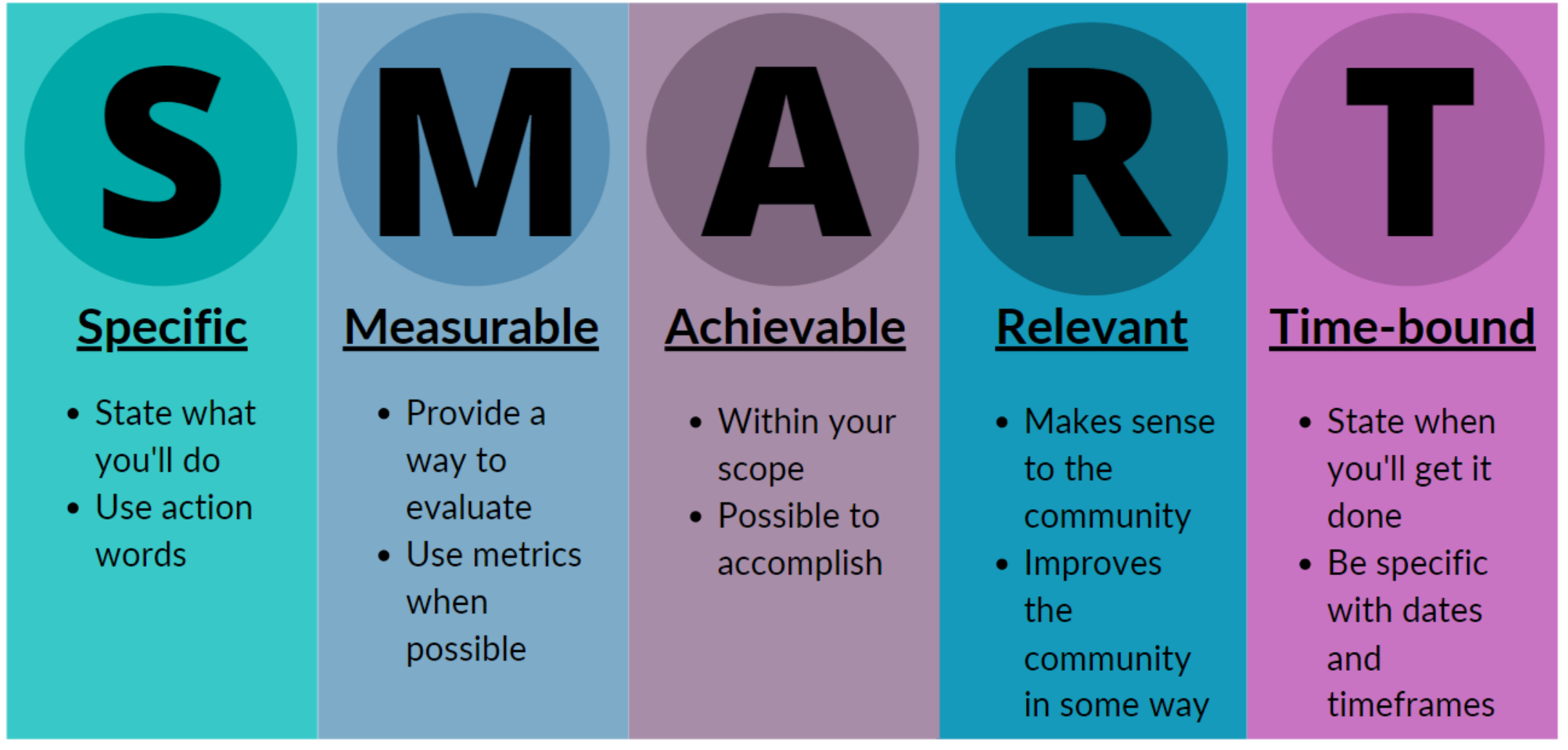
- Directional and motivating
- Not bogged down in numbers (that's what measurable objectives and strategies are for)
- Understood and shared by members of the community
- Easy to communicate (short)

Goals should be:

- Qualitative – broad and aspirational (not numeric)
- Supportive of objectives – easily cascade into measurable objectives (e.g., # of units preserved, # of board trainings, etc.)
- Aligned with values – echo the 5 core values:
  - Community Focus
  - Governance & Accountability
  - Operational Excellence
  - Innovation & Resilience
  - Regional Impact
- Actionable without metrics – clearly pointing to a type of action or outcome

D. STRATEGIC FRAMEWORK

ESTABLISHING CLEAR GOALS



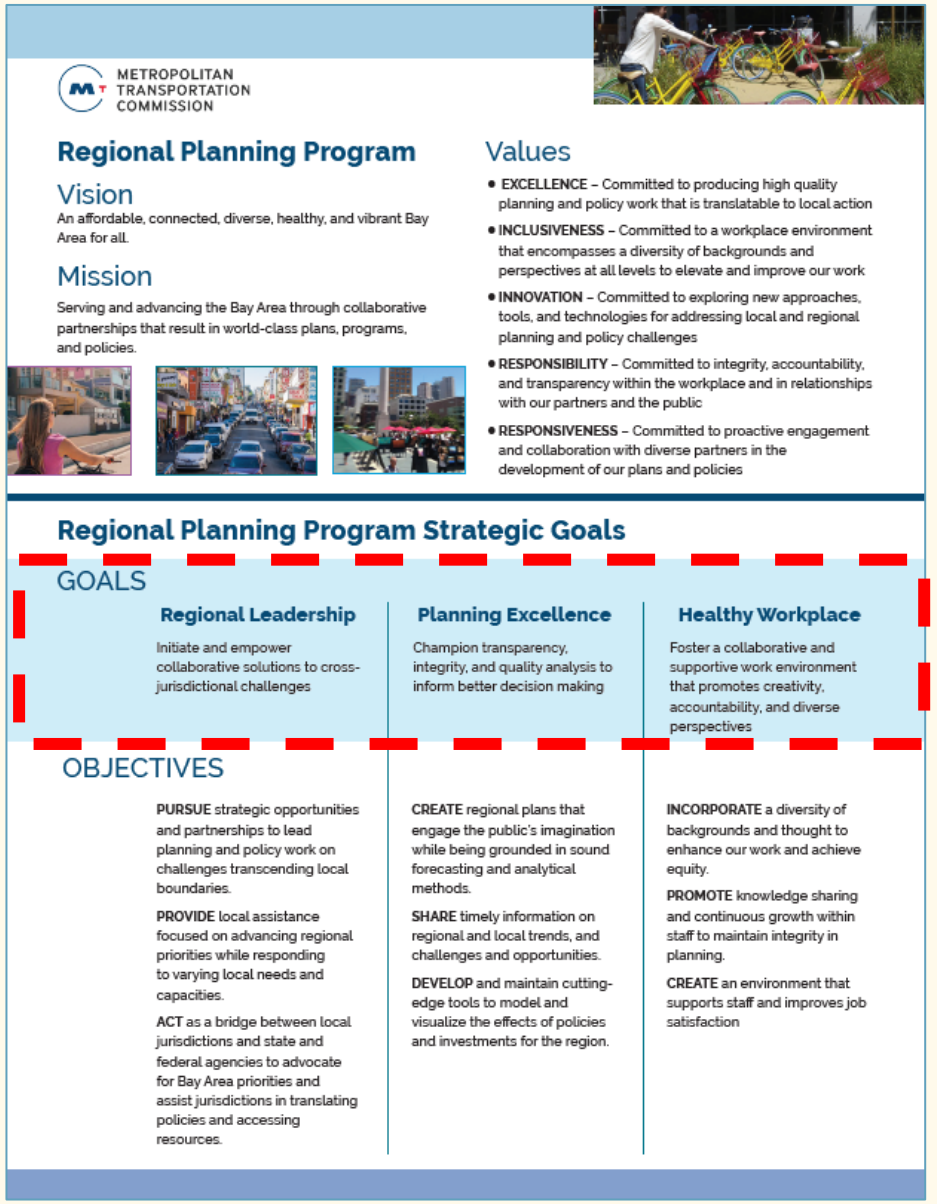
D. STRATEGIC FRAMEWORK
ESTABLISHING CLEAR GOALS

Example: MTC-ABAG Regional Planning Program

Regional Leadership
- Initiate and empower collaborative solutions to cross-jurisdictional challenges

Planning Excellence
- Champion transparency, integrity, and quality analysis to inform better decision making

Healthy Workplace
- Foster a collaborative and supportive work environment that promotes creativity, accountability, and diverse perspectives



METROPOLITAN TRANSPORTATION COMMISSION

Regional Planning Program

Vision
An affordable, connected, diverse, healthy, and vibrant Bay Area for all.

Mission
Serving and advancing the Bay Area through collaborative partnerships that result in world-class plans, programs, and policies.

Values
- **EXCELLENCE** – Committed to producing high quality planning and policy work that is translatable to local action
- **INCLUSIVENESS** – Committed to a workplace environment that encompasses a diversity of backgrounds and perspectives at all levels to elevate and improve our work
- **INNOVATION** – Committed to exploring new approaches, tools, and technologies for addressing local and regional planning and policy challenges
- **RESPONSIBILITY** – Committed to integrity, accountability, and transparency within the workplace and in relationships with our partners and the public
- **RESPONSIVENESS** – Committed to proactive engagement and collaboration with diverse partners in the development of our plans and policies

Regional Planning Program Strategic Goals

GOALS

Regional Leadership	Planning Excellence	Healthy Workplace
Initiate and empower collaborative solutions to cross-jurisdictional challenges	Champion transparency, integrity, and quality analysis to inform better decision making	Foster a collaborative and supportive work environment that promotes creativity, accountability, and diverse perspectives

OBJECTIVES

PURSUE strategic opportunities and partnerships to lead planning and policy work on challenges transcending local boundaries. **PROVIDE** local assistance focused on advancing regional priorities while responding to varying local needs and capacities. **ACT** as a bridge between local jurisdictions and state and federal agencies to advocate for Bay Area priorities and assist jurisdictions in translating policies and accessing resources.	**CREATE** regional plans that engage the public's imagination while being grounded in sound forecasting and analytical methods. **SHARE** timely information on regional and local trends, and challenges and opportunities. **DEVELOP** and maintain cutting-edge tools to model and visualize the effects of policies and investments for the region.	**INCORPORATE** a diversity of backgrounds and thought to enhance our work and achieve equity. **PROMOTE** knowledge sharing and continuous growth within staff to maintain integrity in planning. **CREATE** an environment that supports staff and improves job satisfaction

D. STRATEGIC FRAMEWORK

ESTABLISHING CLEAR GOALS FOR SD-RHFA

SUGGEST GOAL OPTIONS (GENERATED BY BOARD)

Outcomes SD-RHFA is committed to achieving (5-year outcomes) and reviewed annually for progress.

- Governance & Accountability
- Community & Systems Impact
- Housing Production & Preservation
- Regional Leadership
- Sustainability & Generational Impact
- Housing as Care
- Partnerships & Systems

D. STRATEGIC FRAMEWORK
REFINING OUR GOAL STATEMENTS

Today's goal is to refine and narrow toward 3-5 goal statements (or a synthesized version) that best reflects SD-RHFA's purpose.

Current Options	Guiding Considerations	Action for Today
• Governance & Accountability • Community & Systems Impact • Housing Production & Preservation • Regional Leadership • Sustainability & Generational Impact • Housing as Care • Partnerships & Systems	• Keep goals **broad, clear, and qualitative**. • Ensure they reflect **values and mission**. • Limit to **3–5 goals** total for clarity. • Each goal can be supported by **measurable objectives**	• Which of these draft goals should we prioritize? • Can any be combined or synthesized? • What key concepts belong under each goal? • Can we narrow to 3–5 goals that best define SD-RHFA's focus to bring back for **final review in October**?

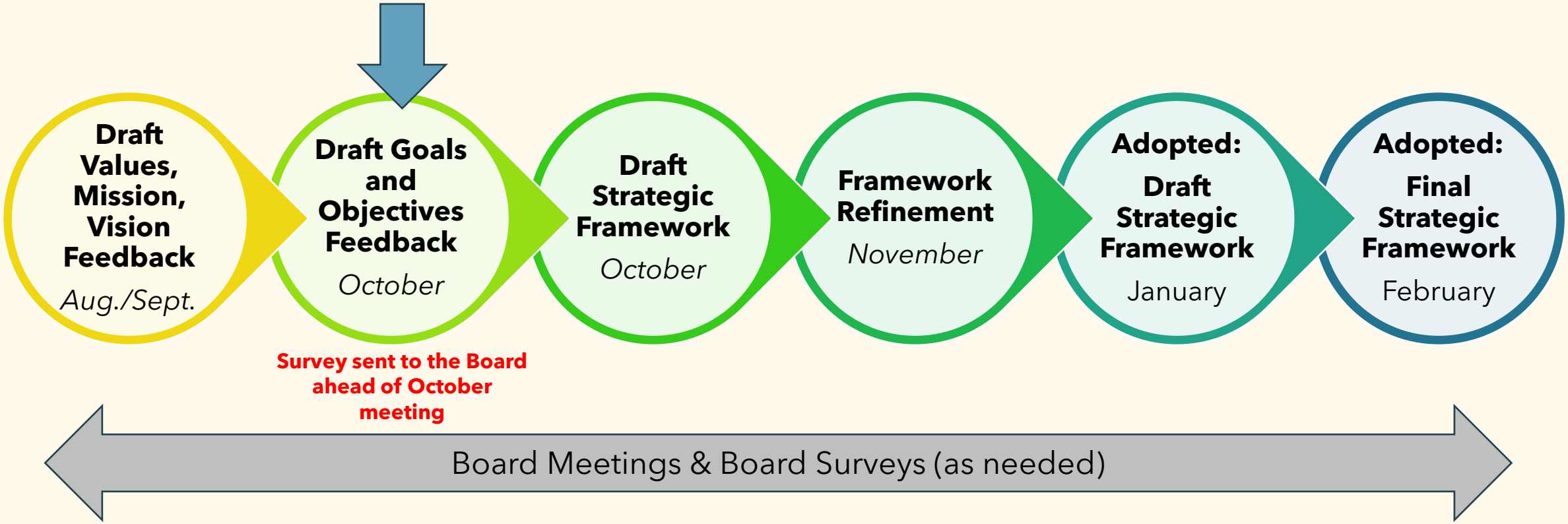


WRAP-UP & NEXT STEPS

BUILDING SD-RHFA'S STRATEGIC FRAMEWORK

PROPOSED TIMELINE

By the Q1 2026, draft an agency-wide strategic framework, consisting of mission, vision, values, goals, and objectives that is circulated for review/refinement through engagement with key stakeholders.



Questions?

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THANK YOU!

