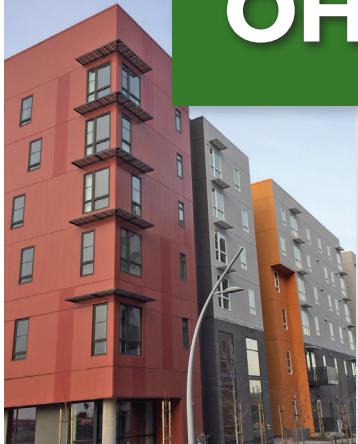


# ANNUAL COMPREHENSIVE FINANCIAL REPORT



**Supporting Our  
OHA Community**



Oakland Housing  
Authority

Housing Authority of the City of Oakland, California  
Fiscal Year Ended June 30, 2021

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
For the Year Ended June 30, 2021

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**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
For the Year Ended June 30, 2020

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# INTRODUCTORY SECTION

- Letter of Transmittal
- GFOA Certificate of Achievement  
for Excellence in Financial Reporting
- Organizational Chart
- Board of Commissioners
- Executive Team and Directors



**Supporting Our OHA Community**



December 27, 2021

Members of the Board of Commissioners  
Of the Housing Authority of the City of Oakland, California  
Oakland, California

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the Housing Authority of the City of Oakland, California (the Authority) as of and for the year ended June 30, 2021. The U.S. Department of Housing and Urban Development (HUD) requires that all public housing authorities publish within nine months after the fiscal year-end, financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with U.S. generally accepted auditing standards (GAAS). The Authority's financial statements presented herein have been audited by Macias Gini & O'Connell LLP (MGO), independent certified public accountants. MGO has issued an unmodified opinion on the Authority's basic financial statements for the year ended June 30, 2021. The purpose of the independent audit is to provide reasonable assurance that the audited basic financial statements, taken as a whole, are free of material misstatements. The data presented in this report is the responsibility of the Authority's management. To the best of our knowledge and belief, the data as presented is accurate in all material respects, is presented in a manner designed to fairly state the financial position and changes in financial position of the Authority and all disclosures necessary have been included to enable the reader to gain an understanding of the Authority's financial affairs. GAAP requires that management provide a narrative introduction, overview and analysis to complement the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The Authority's MD&A can be found immediately following the report of the independent auditors. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it.

The Authority is also required to undergo an audit in conformity with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*. It is the Authority's policy to require the accounting firm to be independent certified public accountants with specific experience in auditing governmental entities, and in performing compliance audits pursuant to the Uniform Guidance. Information related to this single audit, including the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*, the independent auditor's report on compliance for the Authority's major federal programs and on internal control over compliance, the schedule of expenditures of federal awards, the schedule of findings and questioned costs, and the summary schedule of prior audit findings are included in the federal compliance section of this report.

## **Government Overview**

The Authority was established in 1938 to provide housing for low-income residents of the City of Oakland, California (City). The Authority was founded by City of Oakland ordinance, under the Health and Safety Code of the State of California and is governed by a seven-member Board of Commissioners (Board) appointed by the Mayor of the City, with the approval of the City Council. This report includes all programs of the Authority, as well as all of its component units. Component units are legally separate entities for which a government is financially accountable or for which it is so intertwined with the primary government that they are in substance part of the operations of the primary government. Although the Authority maintains close ties with the City in several respects, the Authority is not a component unit of the City as promulgated by the Governmental Accounting Standards Board (GASB).



The Authority's primary source of funding is from HUD. HUD has direct responsibility for administering Public Housing Programs under the United States Housing Act of 1937 (as amended). The Authority's mission is *to assure the availability of quality housing for low-income persons and to promote the civic involvement and economic self-sufficiency of residents and to further the expansion of affordable housing within Oakland*. The Authority accomplishes its mission by administering a number of programs, including the Low Rent Housing (Section 9 public housing) Program and the Section 8 Housing Choice Vouchers (HCV) Program. In 2004, the Authority was selected to participate in HUD's Moving to Work (MTW) Demonstration Program. The program allows the Authority an exemption from a multitude of HUD regulations and reporting requirements; provides significant flexibility to combine its HUD funding for allocation among the Authority's administrative, capital, development and supportive service activities; and presents a unique opportunity for the Authority to explore and test new and innovative methods of delivering housing. The Authority has established various instrumentalities and affiliates to partner and develop alternative housing opportunities for Oakland's lowest-income families, elderly and persons with disabilities. As the City's largest provider of affordable housing, the Authority recognizes that it takes a tremendous amount of support to help people make a home and assist residents in building communities.

### **Economic Condition and Outlook**

Due to its economic dependency on HUD, the Authority's finances are directly impacted by Congressional housing legislation and the federal budget. In fiscal year 2021, HUD provided over 94% of the Authority's total revenues. These revenues are provided through a variety of contracts and grants, however, all are paid in accordance with HUD's funding levels. The Authority has remained conservative in its budgeting and anticipates funding at the budgeted level for fiscal 2021, although capital expenditures for major renovations and development continue as planned.

The 2016 Appropriations Act included language instructing HUD to extend the current MTW Agreements of all existing MTW Agencies until 2028. As directed, HUD notified the Authority that its Agreement was modified to show this extension. The Authority's Board approved the amendment in May 2016. The impact of this extension will have a direct impact on the level of funding, funding fungibility, as well as the Authority's ability to provide a variety of services currently being offered through 2028 under the existing terms and conditions of its MTW Agreement.

### **Major Initiatives**

*Oak Groves project* – In August 2017, the Authority's Board approved the submission of a Disposition Application to HUD for three public housing sites (including the two Oak Groves sites: Oak Grove North and Oak Grove South), a subsequent application for Section 8 vouchers and a project basing of the awards to the sites, which was approved. In December 2019, the two sites were sold to Oak Groves Senior Housing, LP, a California Limited Partnership controlled by RAMP Housing, Inc., a California nonprofit public benefit corporation ("RAMP"). RAMP is a supporting organization of Oakland Affordable Housing Preservation Initiatives, a blended component unit of the Authority. RAMP serves as sole member of the general partner of the Partnership, developer and guarantor.

Oak Groves Senior Housing, LP assembled financing to facilitate the rehabilitation of the properties, and secured an allocation of 4% tax credits and issuance tax-exempt bonds to complete the work. The Authority executed a long-term ground lease and sold the property to Oak Groves Senior Housing, L.P. In its role as Seller, the Authority provided three 'soft' loans: a seller carryback loan in the amount of \$34,400,000; a construction/permanent loan in the amount of \$15,000,000; and a ground lease loan for \$599,901, which is



equal to the appraised value of the land, less a \$99 cash ground lease payment. All three loans carry a 55-year term with payments made from residual receipts.

Construction began on Oak Grove North in February 2020 and was suspended due to the COVID-19 pandemic, with very little construction activity occurring from March through May 2020. In response to the pandemic, all residents and staff at Oak Grove North were relocated offsite to mitigate the potential for infection during the building rehabilitation. Construction on Oak Grove North resumed at full capacity in May 2020. The Oak Grove North units were completed and most of the residents returned by June 30, 2021. In January 2021, Oak Grove South residents moved offsite temporarily and construction began on that building. The rehabilitation of Oak Grove South is expected to be completed by March 2022.

*Brooklyn Basin project* – The Authority is partnering with the City of Oakland and MidPen Housing Corporation to develop 465 units of affordable housing for low-income families and seniors at Brooklyn Basin, a new master planned community on a former industrial site along Oakland’s waterfront. The overall project site is approximately 64 acres and, when complete, will include up to 3,100 residential units (including the 465 affordable rental units), 200,000 square feet of commercial space, 32 acres of parks and public open space, two renovated marinas (170 boat slips) and an existing wetlands restoration area. The master developer is Zarsion-OHP I, LLC (ZOHP), whose principal local partner is the Signature Development Group.

Four affordable projects in total are planned on two improved parcels for a total of 465 units. The Authority purchased a 50% tenant-in-common interest in Parcels A and F for \$10 million and allocated 258 Section 8 Project Based Vouchers to be distributed between the four projects. The land acquisition closing was completed in October 2017.

The first two projects on Parcel F received a Notice to Proceed on December 20, 2018, and were substantially complete on January 15, 2021. Project 1, Paseo Estero, offers 101 new affordable rental homes for families. Project 2, Vista Estero, offers 110 affordable rental homes for seniors. Both properties were fully leased by July 31, 2021. Project 3, Foon Lok West, will provide 130 affordable rental homes for very low-income and formerly homeless families and is projected to be completed in May 2022. Project 4, Foon Lok East, will provide 124 affordable homes to very low-income and formerly homeless families. An application for Foon Lok East was submitted in October 2021 for California Housing Accelerator Program funding. It is expected that construction on this project will begin in mid-2022.

*Empyrean Towers project* – The Authority is partnering with Resources for Community Development (RCD) for the acquisition and rehabilitation of Empyrean Towers, a market-rate Single Room Occupancy (SRO) building built in 1911 consisting of 99 small units with no kitchens at 344 13<sup>th</sup> Street in Oakland. The Empyrean had a history of poor management and code violations. RCD purchased the building in March 2017 and has converted the project to permanently affordable housing. The renovation involved expanding the units to studios and one-bedroom apartments, all including baths and kitchenettes. The property now has 66 units (54 studios and 12 one-bedrooms) targeting low-income individuals and small households.

The Authority’s contribution to the project includes: a \$4,570,000 construction and permanent loan; \$2,228,571 to acquire the land under the Empyrean; and 32 Project Based Section 8 Vouchers. In total, the Authority has committed up to \$6.8 million to assist with the Empyrean Towers Project. Construction started in February 2019 and was completed in December 2020.



*500 Lake Park project* – The Authority is partnering with EAH Housing in developing 500 Lake Park Avenue in the Grand Lake District of Oakland. The project consists of a six-story, 53-unit building with a mix of one, two, and three-bedroom units serving low-income families and formerly homeless individuals. The project will also deliver approximately 3,000 square feet of ground-level commercial space, above-ground structured parking for residents, and an additional 20 parking spaces for the neighboring Bank of America branch. The site is located in a high-amenity area accessible to public transit, schools, parks, grocery stores, retail, an Oakland Public Library branch, and Lake Merritt.

The Authority has agreed to provide a total of \$7.5 million to the project. On June 9, 2021, the Authority purchased the 500 Lake Park land for \$4.9 million and provided a predevelopment loan to the project. When fully drawn, the predevelopment loan will be \$2,319,432. The Authority will ground lease the land back to the development partnership for a lease term not to exceed 99 years. When the project begins construction, the predevelopment loan will be converted to permanent financing and additional funds will be provided up to the Authority's \$7.5 million total commitment. In addition, the Authority will provide 14 project-based Veterans Affairs Supportive Housing (VASH) vouchers. Construction is expected to commence in late 2022 or early 2023 and take approximately two years to complete.

## **Financial Information**

The Authority's management is responsible for establishing and maintaining internal controls designed to ensure that the Authority's assets are protected from loss, theft or misuse and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The Authority has designed its internal controls to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs of a control should not exceed the benefits likely to be derived and that the valuation of the costs and benefits requires estimates and judgment by management.

### **Single Audit**

As a recipient of federal awards, the Authority is responsible for ensuring that adequate internal controls are in place to provide compliance with applicable laws, regulations, contracts and grants related to these programs. These internal controls are subject to periodic evaluation by management and the independent auditors.

As part of the Authority's single audit, tests are made to determine the adequacy of the internal controls, including that portion related to federal award programs, as well as to ensure that the Authority has complied with applicable laws, regulations, contracts and grants. Reports were prepared for this purpose and are included in this ACFR in the federal compliance section.

### **Debt Administration**

We are pleased to announce that at June 30, 2021, the Authority's primary government had no outstanding debt.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to recognize conformance with the highest standards for preparation of government financial reports. In order to be awarded a Certificate of



Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to the program standards. These ACFRs must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year.

The ACFR for the year ended June 30, 2020 has been submitted to the GFOA and it is expected that the Authority will receive the Certificate for Achievement for Excellence in Financial Reporting. The Authority intends to submit its ACFR for the year ended June 30, 2021 to the GFOA for its review. We believe our report conforms to the Certificate and Achievement program requirements.

### **Acknowledgements**

Preparation of the Annual Comprehensive Financial Report on a timely basis was accomplished through the dedicated service of the entire staff of the Finance Department. Each member of the Finance Department has our sincere appreciation for the contributions made in preparation of its report.

In closing, without the leadership and support of the members of the Board of Commissioners, preparation of this report would not have been possible.

Respectfully submitted,

*Patricia Wells*

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Patricia Wells  
Executive Director

*Duane Hopkins*

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Duane Hopkins  
Chief Officer of Programs and Finance Administration

*Victor Madamba*

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Victor S. Madamba  
Director of Finance

Please note the Authority has not yet received  
its Certificate of Achievement for Excellence in  
Financial Reporting for FY 2020.



Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Housing Authority of the City of Oakland  
California**

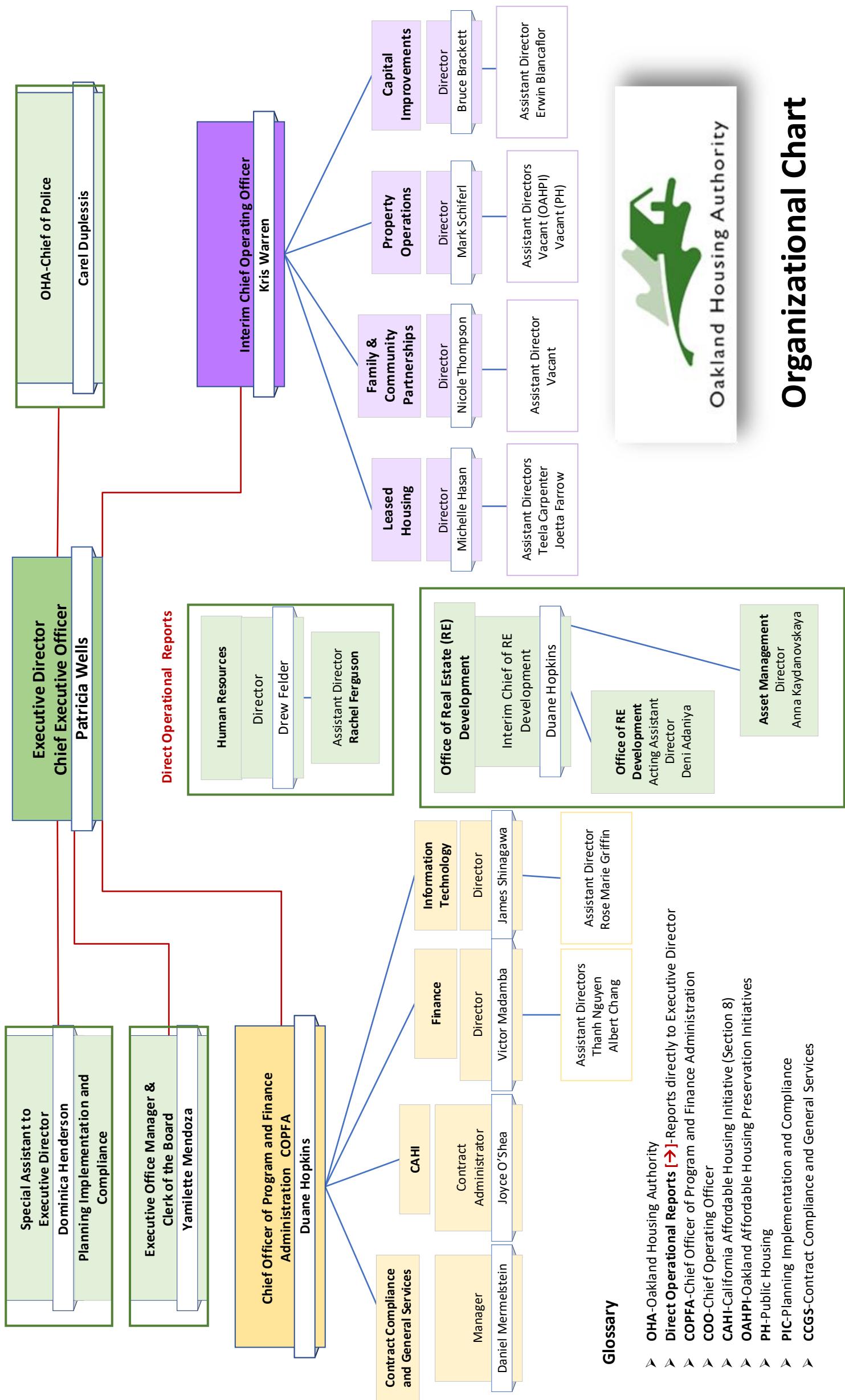
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# Organizational Chart



# BOARD OF COMMISSIONERS



## BOARD OF COMMISSIONERS

Greg Hartwig Chair,

Anne E. Griffith, Vice-Chair

Janny Castillo

Lynette Jung Lee

Barbara Montgomery

Mark Tortorich

Betty Lou Wright



## Supporting Our OHA Community

# LEADERSHIP



**Patricia Wells**  
Executive  
Director



**Duane Hopkins**  
Chief of Program & Finance  
Administration



**Victor Madamba**  
Director of  
Finance

## DIRECTORS

Bruce Brackett, Capital Improvements  
Chief Carel Duplessis, Police Department  
Drew Felder, Human Resources  
Michelle Hasan, Leased Housing  
Dominica Henderson, Planning, Implementation and Compliance  
Anna Kaydanovskaya, Asset Management  
Mark Schiferl, Property Management  
Nicole Thompson, Family and Community Partnerships



## Supporting Our OHA Community

# FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to Basic Financial Statements
- Required Supplementary Information



**Supporting Our OHA Community**

## Independent Auditor's Report

Members of the Board of Commissioners of the  
Housing Authority of the City of Oakland, California  
Oakland, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities (primary government) and the aggregate discretely presented component units of the Housing Authority of the City of Oakland, California (Authority), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units of the Authority which represent 100% of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Chestnut Linden Associates, Lion Creek Senior Housing Partners, L.P., AveVista Associates, L.P., and Oak Groves Senior Housing, L.P. discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the net pension liability and related ratios, schedule of proportionate share of the net pension liability and related ratios, schedule of pension contributions, schedule of changes in the net other postemployment benefit (OPEB) liability and related ratios, and schedule of OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section; schedule of annual contribution contracts for capital fund program (CFP), replacement housing factor (RHF), and emergency safety and security grant; combining financial schedules included in other supplementary information; statistical section; and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of annual contribution contracts for capital fund program (CFP), replacement housing factor (RHF), and emergency safety and security grant and combining financial schedules included in other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Macias Gini & O'Connell LLP". The signature is fluid and cursive, with "Macias Gini &" on the first line and "& O'Connell LLP" on the second line.

Sacramento, California

December 27, 2021

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**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2021

This section of the Housing Authority of the City of Oakland's (Authority) financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the Authority's basic financial statements and related notes, which follow this section.

As required under accounting principles generally accepted in the United States of America (GAAP), the Authority uses the accrual basis of accounting to prepare its basic financial statements. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses, including depreciation, are recognized in the period in which they are incurred. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operations of the Authority are included in the statement of net position. Net position comprises the various net earnings from operating income, nonoperating revenues and expenses and capital contributions

### **Financial Highlights**

- Total net position increased from \$621.0 million to \$670.0 million as of June 30, 2021, a net increase of \$49.0 million. The net increase is primarily due to revenues of \$1,117.1 million exceeding expenses of \$1,068 million.
- Total assets increased by \$42.9 million. The biggest changes contributing to this increase include an increase of current assets of \$31.9 million. Additionally, there was an increase in notes receivable of \$2.1 million primarily due to the disposition of two of the Authority's Public Housing sites through a Low-Income Housing Tax Credit (LIHTC) sales transaction.
- Capital assets increased by \$5.2million, representing net additions of \$11.9 million netted with \$0.5 million of deletions and \$6.8 million for depreciation.
- Total liabilities increased by \$6.0 million. Changes contributing to this increase include an increase of \$2.9million in current liabilities due to timing differences in accounts payable and other year-end accruals and an increase of \$3.1 million in noncurrent liabilities, primarily due to the increase of \$3.2 million of the Authority's net pension liability.
- Total revenues increased by \$25.1 million from \$1,092.0 million to \$1,117.1 million. The increase is primarily comprised of increases in subsidy revenues of \$68.7 million offset by a prior year gain of \$50.0 million on disposed capital assets.

### **Overview of the Financial Statements**

The financial section of this report consists of the independent auditor's report, management's discussion and analysis, the basic financial statements and supplementary information. The basic financial statements include the following:

The *Statement of Net Position* reports on the Authority's short and long-term assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Amounts are reported in order of relative liquidity and are shown on the statement as current (to be received or used within one year) or noncurrent.

The *Statement of Revenues, Expenses and Changes in Net Position* provides information about the Authority's overall financial position and results.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

The *Statement of Cash Flows* reports how the Authority obtained and used its cash during the fiscal year. Activities are reported by its operating, noncapital financing, capital and related financing and investment activities. This statement was prepared using the direct method and includes a reconciliation of operating activities to operating income.

Notes to Basic Financial Statements provides additional disclosures and are considered an integral part of the basic financial statements. These disclosures supplement the statements and are essential to a comprehensive understanding of the financial activities of the Authority.

The remainder of the overview section of management's discussion and analysis explains the structure and contents of each of these statements. The basic financial statements include both blended and discretely presented component units. Complete financial statements of individual component units can be obtained from the Authority's Finance Department.

In addition to the basic financial statements, this report provides supplementary information. Supplementary information includes schedules related to the Authority's pension plans, and other postemployment benefits plan as well as Combining Schedules for its Federal, Other Housing and General Programs, and Federal Programs financial statements.

### **Financial Analysis of the Authority**

**Net Position** - The Authority's net position increased by \$49.0 million during the current fiscal year. This represents an increase of 8% of net position. A summary of the statement of net position as of June 30, 2021 and 2020 is shown in the following table (dollars in millions).

	June 30		Increase/(Decrease)	
	2021	2020	Amount	%
<b>Assets:</b>				
Current and other assets	\$ 545.0	\$ 507.3	\$ 37.7	7%
Capital assets	140.7	135.5	5.2	4%
<b>Total assets</b>	<b>685.7</b>	<b>642.8</b>	<b>42.9</b>	<b>7%</b>
Deferred outflows of resources	19.0	10.3	8.7	84%
<b>Liabilities:</b>				
Current liabilities	17.9	15.0	2.9	19%
Noncurrent liabilities	12.5	9.4	3.1	33%
<b>Total liabilities</b>	<b>30.4</b>	<b>24.4</b>	<b>6.0</b>	<b>25%</b>
Deferred inflows of resources	4.2	7.7	(3.5)	-45%
<b>Net position:</b>				
Net investment in capital assets	140.7	135.6	5.1	4%
Restricted	88.0	87.4	0.6	1%
Unrestricted	441.3	398.0	43.3	11%
<b>Total net position</b>	<b>\$ 670.0</b>	<b>\$ 621.0</b>	<b>\$ 49.0</b>	<b>8%</b>

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Management's Discussion and Analysis (Unaudited) (Continued)  
For the Year Ended June 30, 2021

The net increase/(decrease) in the Authority's current and other assets was 7% or \$37.7 million from the prior year. Significant balances with fluctuations compared to the prior year include:

- Notes Receivables – Increase of \$2.1 million from the Non-Cash LIHTC sale transaction of the Authority's Public Housing properties.
- Net OPEB Asset – The Authority's net OPEB asset decreased \$0.2 million primarily associated with the recognition of OPEB contributions made after the measurement in fiscal year 2020. The Authority recognized current year net OPEB expense of \$944.6 thousand, but continued to make contributions to meet its ongoing contributions in fiscal year 2021.
- Cash increased \$46.4 million from fiscal year ended 2020 largely due to an influx of funds from HUD from its yearly cash reconciliation of the Authority's administrative expenses to the HUD subsidies issued for the year.

The net increase in the Authority's total liabilities was \$6.0 million compared to the prior year due to:

- Accounts payable and accrued payroll timing differences accounted for a \$0.2 million decrease.
- The net pension liability increased by \$3.2 million as discussed in Note 10 to the basic financial statements.
- Unearned revenues increased by \$2.2 million due to unspent Coronavirus Aid, Relief, and Economic Security (CARES) Act subsidies received during the year.
- Other Accrued Liabilities increased from prior year by \$2.9 million

The increase in net position was due to factors as summarized below:

- Net investment in capital assets increased by \$5.2 million representing a net of additions of capital assets offset by depreciation expense.
- Restricted net position increased by \$0.5 million primarily as a result of the unspent CARES Act subsidies received in fiscal year 2021.
- Unrestricted net position increased by \$43.3 million primarily due to increased Housing Assistance Payment revenue received during the year.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Management's Discussion and Analysis (Unaudited) (Continued)  
 For the Year Ended June 30, 2021

**Statement of Revenues, Expenses and Changes in Net Position** - This statement shows the sources of the Authority's changes in net position. A summary of the activities for the year ended June 30, 2021 and 2020 is shown in the following table (dollars in millions).

	For the year ended June 30		Increase/(Decrease)	
	2021	2020	Amount	%
<b>Revenues:</b>				
Operating revenues:				
Rental income	\$ 43.3	\$ 40.8	\$ 2.5	6%
Housing assistance payments revenues	1,027.4	958.7	68.7	7%
Other operating grants	16.1	12.6	3.5	28%
Miscellaneous and other revenues	28.8	26.1	2.7	10%
Nonoperating revenues:				
Gain on disposal of capital assets	-	50.0	(50.0)	100%
Investment income	1.5	3.8	(2.3)	-61%
<b>Total revenues</b>	<b>1,117.1</b>	<b>1,092.0</b>	<b>25.1</b>	<b>2%</b>
<b>Expenses:</b>				
Operating expenses				
Housing assistance payments	965.5	902.3	63.2	7%
Depreciation and amortization	6.8	7.3	(0.5)	-7%
Other operating expenses	94.7	97.7	(3.0)	-3%
Nonoperating expenses				
Other nonoperating expense	1.0	-	1.0	100%
<b>Total expense</b>	<b>1,068.0</b>	<b>1,007.3</b>	<b>60.7</b>	<b>6%</b>
Change in net position	49.0	84.3	(35.3)	-42%
Net position, beginning of year	621.0	536.7	44.9	8%
<b>Net position, end of year</b>	<b>\$ 670.0</b>	<b>\$ 621.0</b>	<b>\$ 9.6</b>	<b>2%</b>

**Revenues:** Revenues increased by \$25.1 million with the following explanations:

- Revenues – An increase of \$2.5 million in rental income is due to lower vacancy rates as well as rent increases related to the Oakland Affordable Housing Preservation Initiatives (OAHPI), a blended component unit, scattered site units during the year ended June 30, 2021.
- Housing assistance payments and other operating grant revenues were \$72.2 million higher due to increases in fair market rents in the HUD contracts administered by both CAHI and the Authority.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

**Expenses:** Expenses increased by \$60.7 million with the following explanations:

- Housing Assistance Payments – Payments increased by \$63.2 million primarily due to increased payments paid under the CAHI contract and increases in the payment standards the Authority paid to address the rising rent crisis in the City of Oakland.
- Other Operating Expense decreased by \$2.0 million due to decreased costs for employee benefits, primarily pension and health care benefits and an increase in management fees.

### **Capital Asset Activity**

During the fiscal year ended June 30, 2021, the Authority expended funds for buildings and improvement and construction in progress in the amount of \$9.6 million; the majority of that was used to address deferred maintenance in the buildings held by OAHPI.

The following summarizes the authority's capital assets, net of accumulated depreciation and the changes for fiscal years ended June 30, 2021 and 2020:

	June 30		Increase/(Decrease)	
	2021	2020	Amount	%
Land	\$ 80.0	\$ 80.0	\$ -	0%
Construction in process	9.8	14.3	(4.5)	-31%
Building and improvements	313.4	299.3	14.1	5%
Equipment and vehicles	13.3	11.5	1.8	16%
	<u>416.5</u>	<u>405.1</u>	<u>11.4</u>	<u>3%</u>
Accumulated depreciation	(275.8)	(269.6)	(6.2)	2%
Total capital assets, net	<u>\$ 140.7</u>	<u>\$ 135.5</u>	<u>\$ 5.2</u>	<u>4%</u>

### **Long Term Debt Activity**

The Authority did not have any long-term debt outstanding as of June 30, 2021 and 2020.

### **Economic Factors**

Significant economic factors affecting the Authority and its mission to provide affordable housing to residents of Oakland include:

- Federal funding of HUD. The 2022 President's Budget requests \$68.7 billion for the Department of Housing and Urban Development (HUD), approximately \$9.0 billion more than enacted level in 2021. As the Authority receives the majority of its operating revenue from financial assistance from HUD, the Authority and its operations are significantly affected by the federal government's annual appropriation to HUD. The Authority's budget for fiscal year 2022 was developed with the expectation that funding levels at a minimum would remain at fiscal year ended 2021 levels with the possibility of additional funding for any increased operating costs. The Authority will continue to assess its financial condition and is attempting to align its activities and the financial position of the Authority so it can respond to new terms and conditions., Any deviation from current estimates of funding to be received would have to be reexamined. The President has proposed the Build Back Better Act which includes over \$150 billion for affordable housing programs. During fiscal year

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Management's Discussion and Analysis (Unaudited) (Continued)  
For the Year Ended June 30, 2021

2022, the Authority will continue to lease its new allocation 515 Emergency Housing Vouchers funded as part of the America Rescue Act of 2021. These vouchers assist those experiencing and at risk for homelessness. Additionally, the Authority received another allocation of 49 Foster Youth Independence (FYI) for former foster youth experiencing homelessness.

- The Bay Area has reported modest but disappointing job gains since March 2021. The Governor signed several housing bills and California with a focus on the Bay Area has been a leader in vaccinations and its response to the COVID-19 pandemic. The Governor's budget of \$267 billion spending plan states that the Bay Area is still rebounding from 2020 losses due to the pandemic but still faces challenges in housing and other areas that affect economic recovery and competitiveness. Unemployment rates fell to 5.5% in the region in August 2021 from 6.6% in January 2021. The Authority still anticipates an increase in the need for the affordable housing units in Oakland in the upcoming fiscal year.
- Due to the COVID-19 pandemic, the rental market slowed tremendously. Bay Area rents fell during the early months of the COVID 19 pandemic in fiscal year 2020. Rents for low-cost apartments rose in May 2021 and were above pre-pandemic rental rates. The average rent for a one bedroom apartment in Oakland, CA is currently \$2,050. This is a 5% increase compared to the previous year. In Oakland, the listings for available apartments have continued to rise from December 2020. However, rents are well off their pre-pandemic levels. In response, the Authority has utilized HUD CARES Act funding as incentives to attract landlords such as security deposit assistance, signing bonuses and owner Portal signups.
- In Oakland, the listings for available apartments have doubled between December 2019 and December 2020. Owners are discounting rents to spur leasing activity. As of May 2021, as COVID-19 pandemic restrictions were lifted for the first time, there were gains on rental rents in Oakland of 1.5%. However, rents are well off their pre-pandemic levels. In response, the Authority has utilized HUD CARES Act funding as incentives to attract landlords such as security deposit assistance, signing bonuses and owner Portal signups.
- On September 1, 2020, the Center for Disease Control and Prevention (CDC) issued a temporary national moratorium on most evictions for nonpayment of rent. California's Eviction Moratorium was extended through September 30<sup>th</sup>, 2021, however, Oakland's Emergency Moratorium will continue to prohibit most evictions until the City Council lifts the local public health emergency.
- To further respond to the impact of the COVID-19 pandemic on renters, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 included emergency rental assistance for households economically impacted by COVID-19 pandemic. The U.S. Department of Treasury distributed \$25 billion to States for emergency rental assistance to operate emergency rental assistance programs for local landlords and tenants. Both the State of California and City of Oakland will administer Emergency Rental Assistance Programs through mid-2022 or until funds are expended.
- HUD issued Fair Market Rents (FMR) are primarily used to determine payment standard HUD amounts for the Housing Choice Voucher program. FMR are gross rent estimates for a metropolitan area and include the shelter rent plus the costs of all tenant-paid utilities. In fiscal year 2022, HUD decreased Fair Market rents by 4% to 8% for all unit sizes.. In response, the Authority has enhanced its owner incentives and is developing a comprehensive landlord outreach strategy to include educational series, print advertising and partnering with community based organizations.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Management's Discussion and Analysis (Unaudited) (Continued)  
For the Year Ended June 30, 2021

**Contact**

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Housing Authority of the City of Oakland, Director of Finance, 1619 Harrison Street, Oakland, CA 94612.

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**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Statement of Net Position

June 30, 2021

(With Discretely Presented Component Units as of December 31, 2020)

	Primary Government - Business-Type Activities	Discretely Presented Component Units
<b>Assets:</b>		
Current assets:		
Unrestricted cash and cash equivalents	\$ 224,970,300	\$ 19,076,263
Accounts receivable, net:		
U.S. Department of Housing and Urban Development	1,994,835	-
Tenants	2,608,401	359,567
Others	15,350,250	330,618
Prepaid expenses	1,261,017	1,047,214
Restricted cash and cash equivalents	89,576,248	14,638,341
Total current assets	<u>335,761,051</u>	<u>35,452,003</u>
Noncurrent assets:		
Interest receivable	8,294,398	-
Notes receivable from component units	134,545,916	-
Notes receivable from others	14,142,708	-
Net other postemployment benefits asset	33,468,908	-
Other noncurrent assets	18,783,071	5,592,884
Capital assets:		
Nondepreciable	89,826,854	19,991,258
Depreciable, net	<u>50,865,216</u>	<u>286,675,177</u>
Total capital assets	<u>140,692,070</u>	<u>306,666,435</u>
Total noncurrent assets	<u>349,927,071</u>	<u>312,259,319</u>
Total assets	<u>685,688,122</u>	<u>347,711,322</u>
Deferred outflows of resources:		
Pension related items	16,026,869	-
Other postemployment benefits related items	<u>2,925,053</u>	<u>-</u>
Total deferred outflows of resources	<u>18,951,922</u>	<u>-</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	5,828,393	6,292,051
Accrued payroll	1,722,051	36,383
Accrued interest payable	-	840,390
Due to the U.S. Department of Housing and Urban Development	30,085	-
Unearned revenues	5,182,610	1,983,804
Other accrued liabilities	3,737,218	2,207,155
Tenant security deposits	701,337	699,959
Current portion of compensated absences	669,602	-
Current portion of long-term debt due to primary government	-	8,934
Current portion of long-term debt to others	-	1,454,678
Total current liabilities	<u>17,871,296</u>	<u>13,523,354</u>
Noncurrent liabilities:		
Compensated absences, net of current portion	1,220,995	-
Net pension liability	10,386,082	-
Long-term interest payable	-	17,126,891
Interest payable due to primary government	-	4,961,506
Long-term debt due to primary government, net of current portion	-	127,416,656
Long-term debt to others, net of current portion	-	144,015,060
Family self sufficiency deposits	<u>916,316</u>	<u>-</u>
Total noncurrent liabilities	<u>12,523,393</u>	<u>293,520,113</u>
Total liabilities	<u>30,394,689</u>	<u>307,043,467</u>
Deferred inflows of resources:		
Pension related items	592,047	-
Other postemployment benefits related items	<u>3,622,313</u>	<u>-</u>
Total deferred inflows of resources	<u>4,214,360</u>	<u>-</u>
Net position:		
Net investment in capital assets	140,692,070	33,771,414
Restricted for housing programs	87,979,178	13,936,911
Unrestricted	<u>441,359,747</u>	<u>(7,040,470)</u>
Total net position	<u>\$ 670,030,995</u>	<u>\$ 40,667,855</u>

See accompanying notes to basic financial statements.

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**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Statement of Revenues, Expenses and Changes in Net Position  
 For the Year Ended June 30, 2021  
 (With Discretely Presented Component Units for the Year Ended December 31, 2020)

	Primary Government - Business-Type Activities	Discretely Presented Component Units
<b>Operating revenues:</b>		
Rental income	\$ 43,247,797	\$ 19,830,219
Housing assistance payment revenues	1,027,387,808	-
Other operating grants	16,110,167	-
Miscellaneous and other revenues	28,839,172	1,405,438
<b>Total operating revenues</b>	<b>1,115,584,944</b>	<b>21,235,657</b>
<b>Operating expenses:</b>		
Housing assistance payments	965,534,557	-
Administrative	41,689,000	4,144,654
Tenant services	1,224,965	-
Utilities	4,687,339	2,725,379
Maintenance and operations	18,492,753	5,329,082
General expenses	28,698,743	3,039,070
Depreciation and amortization	6,762,920	12,084,447
<b>Total operating expenses</b>	<b>1,067,090,277</b>	<b>27,322,632</b>
<b>Operating income (loss)</b>	<b>48,494,667</b>	<b>(6,086,975)</b>
<b>Nonoperating revenues (expenses):</b>		
Investment income	1,474,593	54,219
Interest expense	-	(4,526,753)
Other nonoperating expenses	(944,567)	-
<b>Total nonoperating revenues (expenses)</b>	<b>530,026</b>	<b>(4,472,534)</b>
<b>Change in net position</b>	<b>49,024,693</b>	<b>(10,885,479)</b>
<b>Net position, beginning of year</b>	<b>621,006,302</b>	<b>51,553,334</b>
<b>Net position, end of year</b>	<b>\$ 670,030,995</b>	<b>\$ 40,667,855</b>

See accompanying notes to basic financial statements.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Statement of Cash Flows  
For the Year Ended June 30, 2021

	Primary Government - Business-Type Activities
Cash flows from operating activities:	
Receipts from tenants	\$ 42,531,054
Receipts from customers and others	26,628,444
Receipts from housing assistance programs	1,047,774,646
Operating grants received	16,110,167
Payments to suppliers for goods and services	(57,057,417)
Housing assistance payments on behalf of tenants	(965,642,437)
Payments to employees for services	<u>(50,369,466)</u>
Net cash provided by operating activities	<u>59,974,991</u>
Cash flows from noncapital financing activities:	
Loans to related parties and component units	<u>(2,206,829)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(11,909,842)</u>
Cash flows from investing activities:	
Interest received	<u>564,995</u>
Net change in cash and cash equivalents	46,423,315
Cash and cash equivalents, beginning of year	<u>268,123,233</u>
Cash and cash equivalents, end of year	<u>\$ 314,546,548</u>

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
**Statement of Cash Flows (Continued)**  
**For the Year Ended June 30, 2021**

	Primary Government - Business-Type Activities
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 48,494,667
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	6,762,920
Other expenses	(944,567)
Change in net pension liability and pension related deferred outflows and inflows of resources	(8,738,148)
Decrease (increase) in:	
Receivables	15,329,404
Prepaid expenses	(787,032)
Other noncurrent assets	(2,900,129)
Increase (decrease) in:	
Accounts payable	(90,546)
Accrued payroll	(93,760)
Due to the U.S. Department of Housing and Urban Development	(107,880)
Tenant security deposits	(77,324)
Unearned revenues	2,207,287
Compensated absences	151,442
Other liabilities	768,657
Net cash provided by operating activities	<u>\$ 59,974,991</u>
Cash and cash equivalents:	
Unrestricted cash and cash equivalents	\$ 224,970,300
Restricted cash and cash equivalents	<u>89,576,248</u>
Total cash and cash equivalents	<u>\$ 314,546,548</u>

See accompanying notes to basic financial statements.

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**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

**NOTE 1 – THE FINANCIAL REPORTING ENTITY**

**(a) Organization and Program Descriptions**

The Housing Authority of the City of Oakland (Authority) was founded by City of Oakland ordinance, under the Health and Safety Code of the State of California in 1938. The Authority was established to receive federal funds to provide housing for low-income residents of the City of Oakland, California. The United States Department of Housing and Urban Development (HUD) has direct responsibility for administrating the Low Rent Housing Program under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with local public housing authorities in financing the acquisition, construction and/or leasing of housing units and to make annual contributions (subsidies) to local housing authorities for the purpose of maintaining low-rent character of the local housing program. Under an administrative form of contract, HUD has conveyed certain federally built housing units to the Authority for low rent operations.

The Authority was selected to participate in HUD's Moving to Work (MTW) Demonstration Program effective on March 31, 2004. The program allows the Authority an exemption from a multitude of HUD regulations and reporting requirements and significant flexibility to combine its HUD funding for reallocation among the Authority's administrative, capital and development activities.

The Authority has elected to report a single enterprise proprietary fund and its primary operations comprise a number of housing and grant programs as follows:

- **Low Rent Housing Program** – operates the Authority's own rental housing units subsidized by HUD through an Annual Contributions Contract (ACC). This program has 1,454 units owned as of June 30, 2021, and is operated by the Authority under HUD contract SF-235. Funding is provided by tenant rent payments and intra-program transfers from the Moving to Work Demonstration program representing subsidies provided by HUD based upon a formula that takes into consideration factors such as: prior formula funding, population of the area, number of dwelling units, bedroom sizes, building height and building age, utility costs, and rental income.
- **Section 8 Programs** – consists of several Section 8 housing programs including the Section 8 Substantial Rehabilitation program, the Moderate Rehabilitation program, the Section 8 Housing Choice Voucher program, the Moving to Work Demonstration program and the Mainstream Vouchers program.
  - The *Substantial Rehabilitation* program purpose is to construct or purchase and rehabilitate rental housing units to provide decent and affordable housing to low-income, elderly and handicapped individuals whereby rental assistance is provided by HUD. Funding of the program is provided primarily by federal housing assistance contributions.
  - The *Moderate Rehabilitation* program operates under HUD's ACC S-0068K and consists of the operations of 251 privately owned family housing units. The purpose of the program is to rehabilitate substandard rental housing units and to provide decent and affordable housing to low-income families whereby rental assistance is provided by HUD. The associated developments are maintained and managed by private landlords. Funding of the program is provided by federal housing assistance contributions.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 1 – THE FINANCIAL REPORTING ENTITY (Continued)**

- The *Housing Choice Voucher* program provides rental housing assistance subsidies in support of 13,554 housing units. The purpose of the program is to provide decent and affordable housing to low-income families and elderly and handicapped persons wherein rental assistance is provided by HUD. The associated units are maintained and managed by private landlords.
- The *Moving to Work Demonstration* program provides incentives to families to become economically self-sufficient, to reduce the Authority's costs and achieve greater cost effectiveness, and to increase housing choice for low-income families.
- The *Mainstream Voucher* program provides rental housing assistance subsidies in support of 175 housing units. The purpose of the program is to provide decent and affordable housing to low-income families and elderly and handicapped persons wherein rental assistance is provided by HUD. The associated units are maintained and managed by private landlords.
- **Hope VI Program** - accounts for the funds from the HUD's Hope VI Urban Revitalization Grant used to redevelop the Authority's housing facilities. These facilities include Lion Creek Crossings, Foothill, Chestnut Court, Linden Court, and Mandela Gateway.
- **Other Federal Programs** - other federal programs that the Authority administers include Family Self Sufficiency and Shelter Plus Care.
- **Other Housing Programs** – consists of other low-income housing programs funded from local and other non-federal sources.

**(b) Reporting Entity**

The Authority is governed by a seven-member Board of Commissioners appointed by the mayor of the City of Oakland (City), with the approval of the Oakland City Council. Two members are residents of the Authority. However, the Authority is not a component unit of the City because the cannot impose its will on the Authority by significantly influencing the Authority's program, projects, activities, or level of service performed.

As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the Authority (Primary Government) and its component units, entities for which the Authority is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Authority's operations. Therefore, data from these component units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 1 – THE FINANCIAL REPORTING ENTITY (Continued)**

Management applied the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, Statement No. 39, *Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14*, Statement No. 61, *The Financial Reporting Entity – Omnibus – an Amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14* to determine whether the component units should be reported as blended or discretely presented component units. The criteria included whether the Authority appoints the voting majority of the governing board, there is a financial benefit/burden relationship, the Authority is able to impose its will, the component unit is fiscally dependent on the Authority, the component unit's governing body is substantially the same as the Authority, and management of the Authority have operational responsibility for the activities of the component unit. These criteria were used to determine the following:

**Blended Component Units**

- **California Affordable Housing Initiatives, Inc.** – The California Affordable Housing Initiatives, Inc. (CAHI) was created as a non-profit public benefit organization of the Authority and incorporated in 2001. CAHI is under contract with HUD to administer the Project-Based Voucher Program for Northern California. CAHI's policies are determined by a three member Board of Directors, which comprise the Chair and Vice Chair of the Authority's Board of Commissioners and the Authority's Executive Director. Since the Authority's Board can impose its will on CAHI, management has determined that the Authority is financially accountable to CAHI. In addition, both the Authority's Board and CAHI's Board members are substantively the same, hence the decision from the Authority's Board cannot be overridden by CAHI's Board. The Authority's management also have a financial and operational relationship. Therefore, CAHI's financial statements are blended into the Authority's financial statements as part of the Other Housing Programs.
- **Oakland Affordable Housing Preservation Initiatives** – The Oakland Affordable Housing Preservation Initiatives (OAHPI), a non-profit public benefit corporation affiliated with the Authority, was established in February 2009 for the purpose of managing and controlling 329 buildings acquired from the Authority in April 2010. OAHPI acquired these buildings from the Authority through a negotiated sale at less than fair market value in the form of a 30-year lease at a nominal price of \$1 per year. OAHPI's policies are determined by a three member Board of Directors, which comprise the Authority's Executive Director and two members of the Authority's Board of Commissioners. Since, the Authority's Board can impose its will on OAHPI, management has determined that the Authority is financially accountable to OAHPI. In addition, both the Authority's Board and OAHPI's Board members are substantively the same, hence the decision from the Authority's Board cannot be overridden by OAHPI's Board. The Authority's management also have a financial and operational relationship. Therefore, OAHPI's financial statements are blended into the Authority's financial statements as part of the Other Housing Programs.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 1 – THE FINANCIAL REPORTING ENTITY (Continued)**

**Discrete Component Units**

The following discrete component units' fiscal year ended on December 31, 2020, and their financial activities are reported as of that date.

- **Chestnut Linden Associates** – Chestnut Linden Associates (CLA), a real estate development limited partnership, was formed in 2001 to develop and operate a 151-unit multi-family rental housing apartment complex in the City of Oakland, California (operating as Chestnut Court Apartments and Linden Court Apartments), construction of which was completed in April and June 2003, respectively. CLA leases the land from the Authority on which the apartment complex is situated and has obtained HUD loans and other loans through the Authority, and receives annual rental subsidies for occupied units covered under agreements with HUD and the Authority through 2058.

The Authority has significant influence over CLA given its significant financial relationships. CLA's interests are held by third parties unrelated to the Authority, except for the Authority's participation in OHA Chestnut Mandela, LLC, a Special Limited Partner.

- **Mandela Gateway Associates** - Mandela Gateway Associates (MGA) was recognized by the State of California as a limited partnership as of September 26, 2002. MGA's purpose is to invest in real estate and to construct, operate and lease the property. The property consists of a 168-unit rental apartment complex in the City of Oakland, California (known as Mandela Gateway). Mandela Gateway was placed in service in 2004 and fully leased in 2005. MGA leases the land from the Authority on which the apartment complex is situated and has obtained HUD loans and other loans through the Authority, and receives annual rental subsidies for occupied units covered under agreements with HUD and the Authority through 2078.

The Authority has significant influence over MGA given its significant financial relationships. MGA's interests are held by third parties unrelated to the Authority, except for the Authority's participation in OHA Chestnut Mandela, LCC, a Special Limited Partner.

- **Oakland Coliseum Housing Partners** – Oakland Coliseum Housing Partners (OCHP), a real estate development limited partnership, was formed in 2003 to develop and operate a 115-unit multi-family rental housing apartment complex in the City of Oakland, California (known as Lion Creek Crossings – Phase I). Construction of Lion Creek Crossings – Phase I was completed in 2005. OCHP leases the land from the Authority on which the apartment complex is situated and has obtained HUD loans and other loans through the Authority, and receives annual rental subsidies for occupied units covered under agreements with HUD and the Authority. The agreements extend through the minimum period during which the project units are required by the applicable public housing requirements to be operated as public housing in accordance with the U.S. Housing Act of 1937, or the expiration of 40 years from December 31, 2006.

The Authority has significant influence over OCHP given its significant financial relationships. OCHP's interests are held by third parties unrelated to the Authority, except for the Authority's participation in OHA Coliseum LLC., a Class B Special Limited Partner controlled by the Authority.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 1 – THE FINANCIAL REPORTING ENTITY (Continued)**

- **Lion Way Housing Partners** – Lion Way Housing Partners (LWHP), a real estate development limited partnership, was formed in 2003 to develop and operate a 146-unit rental apartment complex in the City of Oakland, California (known as Lion Creek Crossings – Phase II). Construction of Lion Creek Crossings – Phase II was completed in 2007. LWHP leases the land from the Authority on which the apartment complex is situated and has obtained HUD loans and other loans through the Authority, and receives annual rental subsidies for occupied units covered under agreements with HUD and the Authority. The agreements extend through the minimum period during which the project units are required by the applicable public housing requirements to be operated as public housing in accordance with the U.S. Housing Act of 1937, or the expiration of 40 years from the date of full availability.

The Authority has significant influence over LWHP given its significant financial relationships. The Authority owns the property and is the ground lessor of the property. LWHP's interests are held by third parties unrelated to the Authority. The Authority's interest is related to OHA Coliseum, LLC, a Class B Special Limited Partner, controlled by the Authority.

- **Creekside Housing Partners** - Creekside Housing Partners (CHP), a real estate development limited partnership, was formed in 2005 to develop and operate a 106-unit rental apartment complex in the City of Oakland, California (known as Lion Creek Crossings – Phase III). Lion Creek Crossings – Phase III was completed in 2008. CHP leases the land from the Authority on which the apartment complex is situated and has obtained HUD loans and other loans through the Authority, and receives annual rental subsidies for occupied units covered under agreements with HUD and the Authority. The agreements extend through the minimum period during which the project units are required by the applicable public housing requirements to be operated as public housing in accordance with the U.S. Housing Act of 1937, or the expiration of 40 years from the date of full availability.

The Authority has significant influence over CHP given its significant financial relationships. CHP's interests are held by third parties unrelated to the Authority, except for the Authority's participation in the OHA Coliseum LLC., a Class B Special Limited Partner controlled by the Authority.

- **Foothill Family Apartments** - Foothill Family Apartments (FFA), a real estate development limited partnership, was formed in 1999 to invest in real estate and to construct, operate, and lease property consisting of a 65-unit rental apartment complex in the City of Oakland, California (known as Foothill Family Apartments), construction of which was completed in 2002. FFA leases the land from the Authority on which the apartment complex is situated and has obtained HUD loans and other loans through the Authority, and receives annual rental subsidies for occupied units covered under agreements with HUD and the Authority. The agreements extend through the minimum period during which the project units are required by the applicable public housing requirements to be operated as public housing in accordance with the U.S. Housing Act of 1937, or the expiration of 40 years from December 31, 2002.

The Authority has significant influence over FFA given its significant financial relationships. FFA's interests are held by other third parties – the Oakland Housing Initiatives, Inc. (OHI), as general partner and Multi-Housing Tax Credit Partners XXVIII, a limited partner. OHI is a California nonprofit public benefit corporation with 11 directors, which includes the Authority's Executive Director and the Chair of the Board of Commissioners.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 1 – THE FINANCIAL REPORTING ENTITY (Continued)**

- **Tassafaronga Partners** – Tassafaronga Partners (TP), a California limited partnership, was formed in 2008 to develop Tassafaronga – Phase I (TP Phase I). The entire project (Tassafaronga Village) consists of the demolition of 16 buildings containing 87 units of severely distressed public housing and the construction of 77 affordable rental town homes, 60 affordable rental apartments, and 20 affordable rental units in a renovated former pasta factory located on four parcels of land in the City of Oakland. TP Phase I consists of 137 tax credit rental units and ancillary improvements located on the land. TP owns, operates and manages the project. The project began operations in April 2010. The general partner of TP is Tassafaronga Housing Corporation, a California public benefit nonprofit corporation (THC), which is controlled by the Authority (the Authority staff and Commissioners constitute the board of directors of THC) and the limited partner is NEF Assignment Corporation, an Illinois not-for-profit corporation, which owns 99.99%.

The Authority has significant influence over TP given its significant financial relationships. The Authority is the owner of the land, the ground lessor of the project, guarantor and issued \$31,305,000 in Bonds that were purchased by Citicorp and loaned to TP.

- **Tassafaronga Partners II** – Tassafaronga Partners II (TP II), a California limited partnership, was formed in 2008 to develop Phase II of Tassafaronga Village. The project consists of approximately 20 multi-family rental units and ancillary improvements located on the land. TP II owns, operates and manages the project. The project began operations in May 2010. The general partner of TP II is also THC and the limited partner is also NEF Assignment Corporation.

The Authority has significant influence over TP II given its significant financial relationships. The Authority is the owner of the land, the ground lessor of the project, guarantor and on August 1, 2009 issued \$4,450,000 in Bonds that were purchased by Citicorp and loaned to TP II.

- **Lion Creek Senior Housing Partners** – Lion Creek Senior Housing Partners (LCSHP), a California limited partnership, was formed in October 2011 to acquire certain real property and to provide low-income housing through the acquisition, construction, rehabilitation, operation and leasing of a single building complex, 128-unit residential apartment project located in Oakland operating under the name of Lion Creek Crossings Phase V. The managing general partner is Lion Creek V, LLC and the investor limited partner is Wells Fargo Affordable Housing Community Development Co.

The Authority has significant influence over LCSHP given its significant financial relationships. The Authority is the owner of the land, the ground lessor of the project, and is obligated to provide funds to meet all operating deficits.

- **Village-Side Housing Partners** – Village-Side Housing Partners (VSHP), a California limited partnership, was formed in 2010 to develop a 72-unit low-income apartment complex operating under the name of Lion Creek Crossing IV Apartments. The project has 21-units, which have been designated as public housing units and are subject to all requirements applicable to public housing under the U.S. Housing Act of 1937. The general partner of VSHP is Lion Creek IV, LLC and the limited partner is Bank of America.

The Authority has significant influence over VSHP given its significant financial relationships, and is the owner of the land, the ground lessor of the project, and guarantor.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 1 – THE FINANCIAL REPORTING ENTITY (Continued)**

- **AveVista Associates, L.P.** – AveVista Associates, L.P. (AveVista), a California limited partnership, was formed in October 2013 to develop and operate a 68-unit affordable housing development located in Oakland. The managing general partner is AveVista Associates LLC and the investor limited partner is Wells Fargo Affordable Housing Community Development Co.

The Authority has significant influence over AveVista given its significant financial relationships. The Authority owns the property and is the ground lessor of the property. AveVista's interests are held by third parties unrelated to the Authority. The Authority's interest is related to OHA Development LLC, a Class B Special Limited Partner, controlled by the Authority.

- **Oak Groves Senior Housing, LP** – Oak Groves Senior Housing, LP, (OGSH LP) a California limited partnership, was formed in October 2018 to acquire, rehabilitate, develop and operate a 151-unit senior affordable housing development, with a management office, located in Oakland. The general partner is RHI Oak Groves GP LLC, a California limited liability company, the sole member/manager of RHI Oak Groves GP LLC is RAMP Housing, Inc., a California nonprofit public benefit corporation, and the tax credit investor limited partner is U.S. Bancorp Community Development Corporation, a Minnesota corporation (a public company).

The Authority has significant influence over Oak Groves Senior Housing LP given its significant financial relationships. The Authority is a lender, owns the property, and is the ground lessor of the property.

Complete financial statements of individual component units can be obtained from the Director of Finance of the Authority at 1619 Harrison Street, Oakland, California, 94612.

In addition to the above entities, the Authority is currently working with Harrison Menlo Preservation, L.P. and Oakland International Housing Partners, L.P., to develop and construct additional senior and/or affordable housing sites. These entities have not had substantial financial activity through December 31, 2020, but it is anticipated that it will in future years, at which time these entities will be included in the Authority's basic financial statements.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

The financial statements of the Authority are reported using the economic resources measurement focus and the accrual basis of accounting, whereby all revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the Authority are included in the statement of net position.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses are derived from providing services in connection with the Authority's ongoing operations. Operating revenues generally include rental income and housing assistance payments and fees from the Section 8 programs. Operating revenues also include other operating grants. Operating expenses generally include housing assistance payments, administrative expenses, tenant services, utilities, maintenance and operations, general expenses, and depreciation on capital assets. All other revenues and expenses not meeting the definition of operating revenues and expenses are reported as nonoperating revenues and expenses or as capital contributions.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

**(b) *Cash and Cash Equivalents***

The Authority and its component units consider all highly liquid cash and investments with maturities of three months or less when purchased to be cash equivalents.

**(c) *Investments***

Investment transactions are recorded on the trade date. Investments are reported at fair value. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurements are categorized within the fair value hierarchy established by GAAP.

The table below identifies the investment types that are authorized for the Authority by HUD, the California Government Code or the Authority's investment policy, where more restrictive:

	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. treasury obligations	10 years	None	None
U.S. government agency securities	10 years	None	10%
Certificates of deposit	10 years	None	10%
Money market mutual funds	n/a	None	n/a

The Authority did not hold any investments at June 30, 2021.

**(d) *Allowance for Bad Debts***

Management reviews the collectability of receivables on a periodic basis. The Authority established an allowance of \$2,047,750 for accounts receivable as of June 30, 2021.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Notes to Basic Financial Statements (Continued)  
 For the Year Ended June 30, 2021

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Capital Assets**

The Authority defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The Authority records land, structures and equipment on a historical cost basis, which includes land acquisition costs and site improvements, dwelling and non-dwelling structures and nonexpendable equipment. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are valued at their acquisition value on the date of the receipt. Costs of repairs and maintenance are expensed as incurred. Depreciation has been provided over estimated useful lives of the assets using the straight-line method.

The estimated useful lives are as follows:

	Primary Government	Discrete Component Units									VSHP and LCSHP	AveVista	OGSH LP
		CLA	MGA	OCHP	LWHP	CHP	FFA	TP and TPII					
<b>Dwelling and non-dwelling structures:</b>													
Building	27.5 years	40 years	7-40 years	15-40 yrs	15-27.5 yrs	15-40 yrs	40 years	27.5 years	15-40 yrs	15-40 yrs	27.5 years		
Building improvements (on-site)	10-15 years	15 years	15 years	15-40 yrs	15-27.5 yrs	15-40 yrs	40 years	15 years	15-40 yrs	15-40 yrs	15 years		
Off-site improvements	n/a	40 years	40 years	15-40 yrs	15-27.5 yrs	15-40 yrs	40 years	15 years	15-40 yrs	15-40 yrs	15 years		
<b>Nonexpendable equipment:</b>													
Office equipment, including furniture and fixtures	7 years	7 years	7 years	10 years	5 years	10 years	5-10 yrs	5 years	5 years	7 years	5 years		
Computer equipment and related software	5 years	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
Vehicles	5 years	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		

**(f) Other Noncurrent Assets**

The Authority reports its share of the Bay Area Housing Risk Management Agency's net position as other noncurrent assets (See Note 8). Other noncurrent assets also include costs incurred by the component units in order to obtain permanent financing, tax credits, ground lease, and asset management services for the housing projects. These amounts are stated at cost and amortized on a straight-line method over the following years:

Tax credit costs	10 - 15 years
Permanent loan costs	55 years
Ground lease acquisition costs	75 - 89 years
Asset management fees	15 years

**(g) Compensated Absences**

Employees of the Authority are entitled to paid vacation, depending on job classification, length of service and other factors. Employees earn vacation at rates ranging from 10 days per year for the first 4 years of service up to a maximum of 20 days per year after 19 years of service. Vacation may be accrued to a maximum of 225 hours for employees on a 37.5 hour work week or 240 hours for employees on a 40 hour work week or a total of two years' accrual, whichever is greater. The Authority determines that a portion of this liability is noncurrent based on historical trends.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Net Position**

Net position comprises the various net earnings from operating income, nonoperating revenues and expenses and capital contributions. Net position is classified in the following three components:

*Net investment in capital assets* - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

*Restricted* - This component of net position consists of constraints on assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation, reduced by liabilities related to those restricted assets.

*Unrestricted* - This component of net position consists of amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

**(i) Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority’s Pension Plans (Plans) and additions to/deductions from the Plans’ fiduciary net positions have been determined on the same basis as they are reported by the California Public Employees’ Retirement System (CalPERS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. The Plans’ investments are reported at fair value.

**(j) Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority’s plan (OPEB Plan) and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**(k) Use of Estimates**

Management of the Authority has made certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(l) Effects of New Governmental Accounting Standards**

The requirements of the following accounting standards are effective for purposes of implementation, if applicable to the Authority, for the year ended June 30, 2021.

- In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement is effective for reporting periods beginning after December 15, 2019, or the 2020-2021 fiscal year as postponed by GASB Statement No. 95, *Postponement of the Effective Dates of Authoritative Guidance*. The Authority had no reportable impacts resulting from the implementation of GASB Statement No. 84 for the fiscal year ended June 30, 2021.
- In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*, effective for the fiscal years beginning after December 15, 2019. The objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Authority had no reportable impacts resulting from the implementation of GASB Statement No. 90 for the fiscal year ended June 30, 2021.
- GASB Statement No. 98 – In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replaced instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. The Authority has implemented GASB Statement No. 98 for the fiscal year ending June 30, 2021.

**(m) Upcoming Governmental Accounting Standards**

The Authority is currently evaluating its accounting practices to determine the potential impact on its financial statements from the following GASB Statements:

- In June 2017, GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use the lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for reporting periods beginning after June 15, 2021, or the 2021-2022 fiscal year as postponed by GASB Statement No. 95. The Authority has not determined the effect of this Statement on its financial statements.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Upcoming Governmental Accounting Standards (Continued)**

- In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2021, or the 2022-2023 fiscal year as postponed by GASB Statement No. 95. The Authority has not determined the effect of this Statement on its financial statements.
- In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. This Statement is effective for reporting periods beginning after June 15, 2021, or the 2021-2022 fiscal year as postponed by GASB Statement No. 95. The Authority has not determined the effect of this Statement on its financial statements.
- In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements (except paragraphs 13 and 14) of this Statement are effective for reporting periods beginning after June 15, 2020. Paragraphs 13 and 14 have been postponed to reporting periods beginning after June 15, 2021, with the issuance of GASB Statement No. 95. The Authority has not determined the effect of this Statement on its financial statements.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Upcoming Governmental Accounting Standards (Continued)**

- In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The Authority has not determined the effect of this Statement on its financial statements.
- In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The Authority has not determined the effect of this Statement on its financial statements.
- In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Authority has not determined the effect of this Statement on its financial statements.

**NOTE 3 – RESTRICTED ASSETS**

**(a) Tenant Security Deposits**

Upon moving into a public housing development, tenants are required to pay a security deposit, which is refundable when the tenant vacates the apartment, provided the apartment's physical condition is satisfactory. At June 30, 2021, the Authority's security deposits in the amount of \$256,734, \$3,775 and \$440,828 were included in the Low Rent Housing Program, Housing Choice Voucher and Other Housing Programs, respectively.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Notes to Basic Financial Statements (Continued)  
 For the Year Ended June 30, 2021

**NOTE 3 – RESTRICTED ASSETS (Continued)**

**(b) Family Self Sufficiency (FSS) Escrow**

The FSS Escrow Account is an interest bearing account reported as part of restricted cash and investments and established by the Authority for each qualified Section 8 or public housing participant enrolled in the Section 8 Housing Choice FSS Program. The participants earn monthly escrow credits during their five-year Contract of Participation and the escrow credit is reported as a liability and is based on increases in earned income of the family. The Authority may make a portion of this escrow account available to the family during the term of the contract to enable the family to complete an interim goal such as education. If the family completes the contract and no member of the family is receiving welfare, the amount of the FSS account is paid to the head of the family. If the Authority terminates the contract, or if the family fails to complete the contract before its expiration, the family's FSS escrow account is forfeited. At June 30, 2021, FSS funds of \$916,316 held in the Housing Choice Voucher, and Mainstream Vouchers Programs are included in the accompanying statement of net position.

**(c) Affordability Reserves**

The Regulatory and Operating Agreements related to the Authority's involvement with CLA, MGA, OCHP, LWHP, CHP, FFA, and VSHP require the Authority to establish Affordability Reserve Accounts (Reserves) at Wells Fargo Bank upon certain triggering events specified in each agreement for the benefit of each Limited Partnership operating the properties. Disbursements from Reserves are restricted to paying for operating subsidies related to the Authority's Assisted Housing Units in months where the Authority is unable to meet its obligation to pay the operating subsidies. As required, the Authority's Low Rent Housing program has established Reserves in the amount of \$1,834,361 as of June 30, 2021.

**(d) Other Restricted Accounts**

At June 30, 2021, the Authority's Police Department maintains a restricted asset forfeiture account in the amount of \$42,760 and the Authority has other miscellaneous restricted reserves in the amount of \$13,145.

**NOTE 4 – CASH AND CASH EQUIVALENTS**

**(a) Cash and Cash Equivalents**

Cash and cash equivalents are presented on the accompanying statement of net position as of June 30, 2021 (primary government) and December 31, 2020 (discrete component units), and are summarized as follows:

	Primary Government	Discrete Component Units	Total
Unrestricted cash and cash equivalents	\$ 224,970,300	\$ 19,076,263	\$ 244,046,563
Restricted cash and cash equivalents	89,576,248	14,638,341	104,214,589
<b>Total cash and cash equivalents</b>	<b>\$ 314,546,548</b>	<b>\$ 33,714,604</b>	<b>\$ 348,261,152</b>

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Notes to Basic Financial Statements (Continued)  
 For the Year Ended June 30, 2021

**NOTE 4 – CASH AND CASH EQUIVALENTS (Continued)**

Cash and cash equivalents as of June 30, 2021 (primary government) and December 31, 2020 (discrete component units), consist of the following:

	<b>Primary Government</b>	<b>Discrete Component Units</b>	<b>Total</b>
Cash on hand	\$ 5,225	\$ -	\$ 5,225
Deposits with financial institutions	<u>314,541,323</u>	<u>33,714,604</u>	<u>348,255,927</u>
Total cash and cash equivalents	<u>\$ 314,546,548</u>	<u>\$ 33,714,604</u>	<u>\$ 348,261,152</u>

**(b) Custodial Credit Risk – Deposits**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit for deposits. In addition, the California Government Code requires that a financial institution secure deposits in excess of FDIC limits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**NOTE 5 – NONCURRENT NOTES AND INTEREST RECEIVABLE**

The Authority's noncurrent notes and interest receivable at June 30, 2021 represents the following:

	<b>Component Units</b>	<b>From Others</b>	<b>Total</b>
<b>Notes receivable:</b>			
Low Rent Housing	\$ 13,438,861	\$ -	\$ 13,438,861
Moving To Work	8,509,516	1,289,050	9,798,566
HOPE VI	36,458,677	-	36,458,677
Other Housing Programs	<u>76,138,862</u>	<u>12,853,658</u>	<u>88,992,520</u>
<b>Total notes receivable</b>	<b><u>\$ 134,545,916</u></b>	<b><u>\$ 14,142,708</u></b>	<b><u>\$ 148,688,624</u></b>
<b>Interest receivable:</b>			
Low Rent Housing	\$ 2,957,057	\$ -	\$ 2,957,057
Moving To Work	179,118	-	179,118
HOPE VI	1,715,736	-	1,715,736
Other Housing Programs	<u>3,442,487</u>	<u>-</u>	<u>3,442,487</u>
<b>Total interest receivable</b>	<b><u>\$ 8,294,398</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 8,294,398</u></b>

Notes receivable of the primary government from the component units is \$134,545,916. The amounts of notes receivable and interest receivable from component units and notes payable and interest payable to primary government in the accompanying financial statements differ due to the differences in the financial statement reporting dates (June 30, 2021 for the Authority, and December 31, 2020 for component units).

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 5 – NONCURRENT NOTES AND INTEREST RECEIVABLE (Continued)**

**(a)     *Low Rent Housing Notes Receivable***

Terms and descriptions of the Low Rent Housing notes receivable are as follows:

**Chestnut Linden** - The Chestnut Linden Court Project is a HOPE VI project that was implemented in 2 phases: a homeownership phase (the Chestnut First-Time Homebuyer Development consisting of 15 units for sale up to 75% of the area median income); and a rental housing phase (Chestnut Linden, consisting of 151 units – 72 units on the Chestnut Court site (Chestnut), and 79 units on the Linden Court site (Linden)). Of the 151 units, 83 units are HUD-subsidized public housing units, 45 situated at Chestnut and 38 situated at Linden.

On February 1, 2002, the Authority entered into a HOPE VI Construction/Permanent Loan Agreement with CLA whereby the Authority agreed to loan \$9,966,461 to CLA to finance the development of Chestnut Linden. The obligation to repay the loan is covered by 2 promissory notes – a \$4,789,596 note related to Chestnut, and a \$5,176,865 note related to Linden. The notes bear no interest, unless CLA is in default as defined in the loan agreement, and have terms which expire 55 years after the date of the issuance of a Certificate of Occupancy for all units in Chestnut Linden by the City of Oakland. The outstanding balances on the notes, together with any accrued interest as a result of default, are due and payable at the earliest of (i) the date of any transfer of Chestnut Linden not authorized by the Authority; (ii) the date of any default; and (iii) the expiration of the 55-year period. Both notes are secured by HOPE VI Loan Leasehold Deeds of Trust, Assignment of Rents and Security Agreements recorded on February 13, 2002, wherein CLA is the trustee and the Authority is the beneficiary covering the property. The amount outstanding on this loan was \$9,368,861 as of June 30, 2021.

**Mandela Gateway** - The Mandela Gateway Project is a HOPE VI project that includes the Authority owned site on which was formerly the public housing complex known as Westwood Gardens. This project consists of approximately 168 units, including 46 HUD-subsidized public housing units, together with community and approximately 6,778 square feet of retail space.

On November 18, 2002, the Authority entered in an Amended and Restated Predevelopment Loan Agreement with Bridge Housing Corporation (BHC) whereby the Authority agreed to loan \$3,280,067 to BHC to finance certain predevelopment activities associated with the original Westwood Garden site and an additional site as part of the Mandela Gateway Project. This loan was non-interest bearing, and stipulated that it would expire on December 31, 2003, unless extended by the Authority or earlier terminated as provided in the agreement. The loan agreement was superseded by an MGA Construction/Permanent Loan as further described in the following paragraph, and the outstanding balance of \$721,514 advanced under the BHC loan was transferred to the MGA loan.

On February 1, 2003, the Authority entered into a HOPE VI Construction Loan Agreement with MGA whereby the Authority agreed to loan \$3,260,000 to develop the Mandela Gateway Project sites. The loan, evidenced by a promissory note, has a simple 5% interest rate on disbursements, and a term of 55 years from the date of issuance of a Certificate of Occupancy by the City of Oakland for all units in the Development. The principal and interest outstanding on this loan was \$3,260,000 and \$2,952,596 respectively, as of June 30, 2021.

On December 1, 2020, the Authority entered into an agreement with Mandela Gateway Commercial, LLC whereby the Authority agreed to loan \$810,000 to refinance the commercial portion of the Mandela Gateway Commercial Bridge Loan Agreement. The loan, evidenced by a promissory note, has a simple 1% interest rate on disbursements, and a term of 3 years. The principal and interest outstanding on this loan was \$810,000 and \$4,461 respectively, as of June 30, 2021.

**HOUSING AUTHORITY OF THE  
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Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 5 – NONCURRENT NOTES AND INTEREST RECEIVABLE (Continued)**

**(b) Moving To Work Notes Receivable**

**BRIDGE Norcal LLC (AveVista)** - On March 29, 2011, the Authority entered into a Predevelopment Loan Agreement with BRIDGE Norcal LLC (BRIDGE) whereby the Authority agreed to loan an amount not to exceed \$775,000 to finance predevelopment costs in connection with the Grand Avenue Development. On December 1, 2013, the Authority converted the loan from a predevelopment loan to a construction loan whereby the Authority agreed to loan an amount of \$8,326,105 to AveVista Associates, L.P. On September 1, 2016, the Board authorized the Executive Director to increase the loan amount to \$8,734,815. The loan bears simple interest at a rate of 3%. The loan is funded by the MTW and Other Housing programs in the amount of \$1,334,515 and \$7,400,300, respectively. As of June 30, 2021, the amount outstanding on this loan and accrued interest were \$8,734,815 and \$1,609,511 respectively.

**Acts Cyrene Apartments** - On November 1, 2015, the Authority entered into a Loan Agreement with Oakland International Housing Partners, LP whereby the Authority agreed to loan an amount of \$2,630,000 for construction and permanent financing for improvements of the Acts Cyrene Apartments. The loan bears no interest and has a term of the earlier of: (1) 55 years from the date of completion of the project, determined by the Certificate of Occupancy for all units, and (2) the repayment of all principal and interest outstanding under the loan. Repayments commenced on May 15 of the year following completion of construction of the improvements, and on May 15 of each year thereafter, for the term of the loan, payable from Residual Receipts as defined in the loan agreement. The Authority shall receive 50% of Residual Receipts generated by the development, which will be shared on a pro rata basis with the City of Oakland. The outstanding principal amount as of June 30, 2021 was \$2,605,001.

**Empyrean Hotel Project** - On November 1, 2015, the Authority entered into a Predevelopment Loan Agreement with Harrison Menlo Preservation LP whereby the Authority agreed to loan an amount of \$275,000 to rehabilitate the Empyrean Hotel to create 66 studio and one-bedroom units for low-income households. On March 29, 2018, the original Predevelopment Loan Agreement was amended, and replaced in its entirety by the Second Amended and Restated Predevelopment Loan Agreement Promissory Note, which provided a loan in the amount of \$1,410,000 and a third amendment increased the loan amount to \$4,570,000 on February 1, 2019. The loan bears no interest except in the event of default. The loan has a term of the earlier of (1) fifty-five (55) years from the date of completion or (2) the repayment of all principal and interest outstanding under the Loan. The outstanding principal amount as of June 30, 2021 was \$4,570,000.

**Lake Park Avenue Project** – On June 7, 2021, the Authority entered into a Predevelopment Loan Agreement with Lake Park Oakland EAH, LLC, whereby the Authority agreed to loan an amount not to exceed \$2,319,432 for predevelopment costs associated with the construction of an affordable multifamily rental project with approximately 53 units. The loan bears no interest except in the event of default. The loan has a term of the earlier of: (1) June 30, 2023 or (2) the date of construction closing. The outstanding principal amount as of June 30, 2021 was \$1,289,050.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Notes to Basic Financial Statements (Continued)  
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**NOTE 5 – NONCURRENT NOTES AND INTEREST RECEIVABLE (Continued)**

(c) ***HOPE VI Notes Receivable***

Terms and descriptions of the HOPE VI notes receivable are as follows:

**Foothill Family Apartments** - On July 1, 2005, the Authority entered into a HOPE VI Permanent Loan Agreement with FFA. FFA developed and constructed a 65-unit, low income tax credit apartment complex on the real property located at 6886 and 6982 Foothill Boulevard, 2811 and 2812 69<sup>th</sup> Avenue, and 7011 and 7015 MacArthur Boulevard in the City of Oakland. The Authority agreed to loan \$2,400,000 to FFA to assist in repayment of construction financing for the development, and to assist in the operation of the development. FFA's obligation to repay the loan is covered by a promissory note. The note bears interest based on the applicable Federal Rate as related to long-term loans, with annual compounding and calculated in accordance with Internal Revenue Service Code Section 1274d as of the date of closing. This loan has a term that expires on the date 55 years from when the Deed of Trust is recorded against the property. Repayments commenced on April 1, 2006, and on April 1 of each year thereafter for the term of the loan, from 90% of available residual receipts as described in the loan agreement. The principal and interest outstanding on this loan was \$2,400,000 and \$1,715,736, respectively, as of June 30, 2021.

**Coliseum Gardens** (also known as Lions Creek Crossings Phase II) - The Authority is the owner of land and buildings at the Coliseum Gardens Housing Development located at 6610, 6710 and 6733 Olmstead Street in the City of Oakland. The Authority intends to acquire additional parcels of land in the vicinity to facilitate the revitalization of the Coliseum Gardens Public Housing Development.

On November 1, 2004, the Authority entered into a HOPE VI Construction/Permanent Loan Agreement with OCHP whereby the Authority agreed to loan \$5,500,000 to OCHP to finance the pre-development construction of phase I of the Coliseum Gardens Project. The obligation to repay the loan is covered by a promissory note. The outstanding balance on the Pre-Development Loan dated July 23, 2003 was considered paid off by this loan as of the execution date. The note bears no interest and has a term of 55 years from the date of completion of the Project, determined by the Certificate of Occupancy for all units (which occurred on April 27, 2007) in the Project by the City of Oakland. Repayments commenced on May 15 of the year following completion of construction of the improvements, and on May 15 of each year thereafter, for the term of the loan, payable to the extent of 34% of cash flows as described in the loan agreement. The amount outstanding on this loan was \$5,394,726 as of June 30, 2021.

On November 1, 2005, the Authority entered into a HOPE VI Construction/Permanent Loan Agreement with LWHP whereby the Authority agreed to loan \$7,430,139 to LWHP to finance the pre-development and construction of Phase II of the Coliseum Gardens Project. The obligation to repay the loan is covered by a promissory note. The note bears no interest and has a term of 55 years from the date of completion of the Project, determined by the Certificate of Occupancy for all units in the Project by the City of Oakland. Repayments commenced on May 15 of the year following completion of construction of the improvements, and on May 15 of each year thereafter, for the term of the loan, payable after the non-federal funds loan is paid in full to the extent of 45% of cash flows as described in the loan agreement. The amount outstanding on this loan was \$7,430,379 as of June 30, 2021.

On November 1, 2006, the Authority entered into a Construction Loan Agreement with CHP whereby the Authority agreed to loan \$3,350,000 to CHP to finance the pre-development and construction of Phase III of the Coliseum Gardens Project. The obligation to repay the loan is covered by a promissory note. The note bears no interest and has a term of 55 years from the date of completion of the Project, determined by the Certificate of Occupancy for all units in the Project by the City of Oakland. Repayments commenced on May 15 of the year following completion of construction of the improvements, and on May 15 of each year thereafter, for the term of the loan, payable to the extent of 20% of cash flows as described in the loan agreement. The amount outstanding on this loan was \$3,243,932 as of June 30, 2021.

**HOUSING AUTHORITY OF THE  
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Notes to Basic Financial Statements (Continued)  
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**NOTE 5 – NONCURRENT NOTES AND INTEREST RECEIVABLE (Continued)**

**(c) HOPE VI Notes Receivable (Continued)**

On November 1, 2010, the Authority entered into a Local Funds Construction/Permanent Loan Agreement with Village-Side Housing Partners, L.P. (VSHP) whereby the Authority agreed to loan an amount not to exceed \$6,641,066 for construction/permanent financing towards the development of the project. On April 15, 2012, the Authority agreed to increase this loan to \$7,222,630 of which the additional amount of \$581,564 will be expended for additional eligible costs and funded by Moving To Work funds. On November 1, 2010, the Authority also entered into a HOPE VI Construction/Permanent Loan Agreement with VSHP whereby the Authority agreed to loan an amount not to exceed \$2,051,641, which represented the remaining Coliseum Gardens HOPE VI grant funds as construction/permanent financing towards the development of LCC Phase IV project. The obligation to repay this loan is deferred, bears no interest, has a 55-year term from the date of completion of the Phase IV project and is payable from surplus cash as defined in the loan agreement. The amount outstanding on these loans was \$8,656,664 as of June 30, 2021.

On November 1, 2011, the Authority entered into a Predevelopment Loan Agreement with Lion Creek Senior Housing Partners, L.P. (LCSHP), a related entity presently under development, whereby the Authority agreed to loan an amount not to exceed \$1,848,500 to LCSHP to finance pre-development budgeted costs associated with Phase V of the Lions Creek Crossings Project. One-half of the loan represents LCSHP's share of the pre-development budget and bears interest at 4% simple interest on the outstanding balance and the remaining half represents the Authority's share of the pre-development budget and bears no interest except upon default. The obligation to repay the loan is covered by a promissory note.

During the year ended June 30, 2013, LCSHP converted the \$1,848,500 loan to a permanent construction loan along with additional construction loan in the amount of \$12,459,495. The loan bears no interest, commencing on May 15 of the year following completion of construction of the improvements and on May 15 of each year thereafter, for the term of the loan, be repaid from Residual Receipts as defined in the loan agreement. The Authority shall receive an annual priority payment of the lesser of (1) an amount equal to 0.42% of the original principal amount of the loan or (2) 25% of the residual receipts. The outstanding principal amount as of June 30, 2021 was \$9,332,977.

**(d) Other Housing Programs Notes Receivable**

Terms and descriptions of the Other Housing Programs notes receivable are as follows:

**Tassafaronga Phase I** - On October 1, 2008, the Authority entered into a Deferred Promissory Note with Tassafaronga Partners, L.P. (TP) whereby the Authority agreed to loan an amount not to exceed \$2,000,000 to finance the development of the infrastructure improvements associated with the construction of 137 units of affordable housing and related improvements to the Construction/Permanent Loan Agreement. The obligation to repay this loan is deferred, interest-free, and matures October 1, 2063. The amount outstanding on this loan was \$2,000,000 as of June 30, 2021. Also, on October 1, 2008, the Authority entered into a second Loan Agreement with TP whereby the Authority agreed to loan \$14,164,614 to finance the project. The obligation to repay the loan bears 0.6% interest and matures April 13, 2065. The amount of principal and interest outstanding on this loan was \$12,313,793 and \$769,907, respectively, as of June 30, 2021.

**Tassafaronga Phase II** - On August 1, 2009, the Authority entered into an Amended and Restated Promissory Note with TP II whereby the Authority agreed to loan an amount not to exceed \$500,000 with interest at 3% and \$1,843,368 which bears no interest to finance the development of the TA Phase II project. The loans mature on May 20, 2065. Repayments are based on the residual receipts and shall be credited first against accrued interest, then against outstanding principal attributable to the \$500,000 component and

**HOUSING AUTHORITY OF THE  
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Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 5 – NONCURRENT NOTES AND INTEREST RECEIVABLE (Continued)**

**(d) Other Housing Programs Notes Receivable (Continued)**

then against the remaining outstanding principal. The principal and interest amount outstanding on the interest-bearing loan was \$500,000 and \$177,432, respectively, as of June 30, 2021. The principal outstanding for the non-interest-bearing loan was \$1,319,688 as of June 30, 2021.

**Chestnut Linden Court Project** - On February 1, 2002, the Authority entered into a Loan Agreement with CLA whereby the Authority agreed to loan \$1,695,000 to CLA to finance the development of the Chestnut Linden Court Project. The obligation to repay the loan is covered by two promissory notes for \$814,549 and \$880,451 dated February 1, 2002. Both notes bear no interest and have a term of 55 years after the date of the issuance of a Certificate of Occupancy for all units in the Project by the City of Oakland. Starting on July 1, 2004, and on July 1 of each year thereafter for the term of the loan, repayment shall be the available residual receipts as described in the loan agreement. Both notes are secured by Non-Federal Funds Loan Leasehold Deeds of Trust, Assignment of Rents and Security Agreements recorded on February 13, 2002 wherein CLA is the trustee and the Authority is the beneficiary covering the property. The amount outstanding on this loan was \$1,224,013 as of June 30, 2021.

On July 1, 2002, the Authority entered into a Development Loan Agreement (DLA) with EM Johnson Interest, Inc. (EMJI), whereby the Authority agreed to loan \$1,900,000 to EMJI to finance the development of the homeownership phase of the Chestnut Linden Court Project. The obligation to repay the loan is evidenced by a note. The loan bears no interest and was repaid as follows:

1. \$1,300,000 upon sale of the homes. Pursuant to the DLA and as result of the sale of the homes in August 2003, EMJI paid \$1,300,000 directly to CLA. Any payment made to CLA from proceeds of the sale of the homes under the letter of credit or any other source, shall be treated as repayment of this loan as though repaid by the EMJI to the Authority.
2. Upon sale of a home to an eligible purchaser, in compliance with Section 4.2 of the Development Loan, execution of the Homebuyer Promissory Note, and execution and recordation of the Homebuyer Deed of Trust and Resale Restriction and Option to Purchase Agreement, the Authority shall credit repayment of the Development Loan for \$40,000 and execute and arrange for the recordation of partial conveyance of the Deed of Trust and the Authority's Affordability Covenants with respect to each unit conveyed to an eligible purchaser.

To assist eligible purchasers in acquiring the homes, the Authority shall convert the total principal amounts of the loan to Authority Second Mortgage Loans. Each Authority Second Mortgage Loan made to an eligible purchaser is in the amount of \$40,000. The total amount of all Authority Second Mortgages will be equal to \$600,000. Each Authority Second Mortgage loan has a 50-year term. The Authority Second Mortgages loans do not bear interest, except in the event of default by the homebuyer, and will be assumable by subsequent eligible homebuyers. Authority Second Mortgage Loans will be forgiven if a homebuyer stays in the home for the entire 50 years. Fifteen homes were sold, and a credit of \$600,000 was applied to the EMJI note. As a result of these transactions, EMJI's Development Loan is considered repaid. The amount outstanding on the Authority Second Mortgage Loans with eligible homebuyers was \$600,000 as of June 30, 2021.

**Mandela Gateway** - On February 1, 2003, the Authority entered into a loan agreement with Mandela Gateway Associates (MGA) whereby the Authority agreed to loan \$550,000 to finance the development of the residential portion of the Mandela Gateway Development. The obligation to repay the loan is covered by a 55-year promissory note which bears no interest. The amount outstanding on this loan was \$80,815 as of June 30, 2021.

**HOUSING AUTHORITY OF THE  
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**NOTE 5 – NONCURRENT NOTES AND INTEREST RECEIVABLE (Continued)**

**(d) Other Housing Programs Notes Receivable (Continued)**

On November 20, 2003, the Authority entered into a Predevelopment Loan Agreement with Mandela Gateway Townhomes, LLC (MGT) whereby the Authority agreed to loan \$515,000 to MGT to finance the predevelopment activities associated with the construction of 14 single family townhomes. This loan was superseded by a Loan Agreement executed with MGT dated December 11, 2006, and the balance outstanding on the Predevelopment Loan was transferred to this loan. The obligation to repay this loan is covered by a non-interest-bearing promissory note dated December 11, 2006. Repayment of the loan is contingent upon the sale of the townhomes to eligible homebuyer, and the execution of the Homebuyer Promissory Notes between the homebuyer and the Authority.

During the year, there were no sales of townhomes to eligible homebuyers, and there were no Homebuyer Promissory Notes executed. The amount outstanding on this loan was \$515,000 as of June 30, 2021.

**Coliseum Gardens Project** (also known as Lions Creek Crossings II) - On November 1, 2005, the Authority entered into a Construction/Permanent Loan Agreement with LWHP whereby the Authority agreed to loan \$2,472,471 to LWHP to finance the construction of Phase II of the Coliseum Gardens Project. The obligation to repay this loan is covered by a non-interest-bearing promissory note which expires 55 years from the issuance of a Certificate of Occupancy for all units in the development. The loan is payable to the extent of 45% of cash flows and due May 15<sup>th</sup> of each year. The amount outstanding on this loan was \$1,300,351 as of June 30, 2021.

**Jefferson Oaks, L.P.** - On October 1, 2010, the Authority entered into an Acquisition and Development Loan Agreement with Jefferson Oaks, L.P. (Jefferson) whereby the Authority agreed to loan an amount not to exceed \$2,060,000 to finance the acquisition of the Jefferson Existing Improvements and certain costs associated with the development of the Jefferson Oaks Apartment project. The obligation bears no interest except upon default by Jefferson, for which interest will be accrued at the lesser of 10% compounded annually or the maximum rate permitted by law. The obligation has a 55-year term from the date of recordation of the Deed of Trust against Jefferson's Leasehold Estate. The amount outstanding on this loan was \$2,060,000 as of June 30, 2021.

**Keller Housing Associates, LP.** - On May 1, 2011, the Authority entered into an Original Loan Agreement with Keller Housing Initiative, Inc. (KHI) whereby the Authority agreed to make a loan to KHI in the amount of \$8,200,000 (Development Loan) to assist in predevelopment and construction costs associated with the rehabilitation of the Keller Plaza Project Development, as defined in the agreement. KHI assigned the Original Loan Agreement and the Development Loan, and all of KHI's right, title and obligations under the Original Loan Agreement to Keller Housing Associates, LP (KHA), a California limited partnership. The loan bears no interest except upon default by KHA, for which interest will be accrued at the lesser of 10% compounded annually or the maximum rate permitted by law. The obligation has a 55-year term from the date of recordation of the Deed of Trust against KHA's Leasehold Estate. The amount outstanding on this loan was \$6,420,478 as of June 30, 2021.

**Satellite Housing, Inc. (Lakeside)** - On December 15, 2009, the Authority entered into an Acquisition Conditions Agreement with Satellite Housing, Inc. (SHI) whereby the Authority agreed to provide two forms of loans to carry out certain predevelopment work and on August 23, 2011, the Authority entered into a First Amendment with SHI to increase the amount of the pre-development loans and to permit the loan proceeds to be used for predevelopment costs relating to additional real property that will be added to the Lakeside Senior Apartments project. The first loan is interest free and the Authority agreed to loan an amount not to exceed \$720,413. The second loan bears interest rate of 4% and the Authority agreed to loan an amount not to exceed \$720,413. In April 2013, the Authority amended, restated and consolidated the

**HOUSING AUTHORITY OF THE  
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**NOTE 5 – NONCURRENT NOTES AND INTEREST RECEIVABLE (Continued)**

**(d) Other Housing Programs Notes Receivable (Continued)**

principal notes into one non-interest-bearing note and increased the principal balance of the original notes to \$3,443,000 contained in a promissory note. The note is due 55 years from the date of completion, which shall be determined by the date of issuance of a certificate of occupancy for all units in the development. At June 30, 2021, the principal amount outstanding was \$3,258,180.

**Oak Groves Senior Housing LP** – On December 1, 2019, the Authority entered into four promissory notes with Oak Groves Senior Housing LP to finance the rehabilitation and construction of property located at 620 17<sup>th</sup> Street and 570 16<sup>th</sup> Street, in the City of Oakland. The first promissory note is a Seller-Carryback loan in the amount of \$34,400,000 and interest of 1.94%. There were also two interest free Construction/Permanent Loan promissory notes in the amount of \$13,000,000 and \$2,000,000 and an interest free Ground Lease Loan of \$599,901.

Commencing on May 15 of the year following completion of construction of the improvements, and on May 15 of each year thereafter for the term of the loan, be repaid from Residual Receipts as defined in the loan agreements. All four obligations are due 55 years from the date of completion, which shall be determined by the date of issuance of a certificate of occupancy for all units in the development. The principal and interest amount outstanding on the interest-bearing promissory note was \$34,400,000 and \$1,064,756, respectively, as of June 30, 2021. The principal outstanding for the non-interest-bearing loans were \$13,000,000, \$2,000,000 and \$599,901, respectively, as of June 30, 2021.

**NOTE 6 – CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Reductions/ Transfers	Balance June 30, 2021
<i>Capital assets, not being depreciated:</i>				
Land	\$ 79,985,141	\$ -	\$ -	\$ 79,985,141
Construction in progress	14,353,908	8,904,089	(13,416,284)	9,841,713
Total capital assets, not being depreciated	<u>94,339,049</u>	<u>8,904,089</u>	<u>(13,416,284)</u>	<u>89,826,854</u>
<i>Capital assets, being depreciated:</i>				
Building and improvements	299,268,291	14,102,206	-	313,370,497
Equipment and vehicles	11,519,608	2,326,783	(546,143)	13,300,248
Total capital assets, being depreciated	<u>310,787,899</u>	<u>16,428,989</u>	<u>(546,143)</u>	<u>326,670,745</u>
<i>Less accumulated depreciation</i>				
Building and improvements	(259,809,052)	(5,821,580)	-	(265,630,632)
Equipment and vehicles	(9,772,749)	(939,403)	537,255	(10,174,897)
Less accumulated depreciation	<u>(269,581,801)</u>	<u>(6,760,983)</u>	<u>537,255</u>	<u>(275,805,529)</u>
Total capital assets, being depreciated, net	<u>41,206,098</u>	<u>9,668,006</u>	<u>(8,888)</u>	<u>50,865,216</u>
Total capital assets, net	<u>\$ 135,545,147</u>	<u>\$ 18,572,095</u>	<u>\$ (13,425,172)</u>	<u>\$ 140,692,070</u>

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Notes to Basic Financial Statements (Continued)  
 For the Year Ended June 30, 2021

**NOTE 7 – LONG-TERM OBLIGATIONS**

Changes to the Authority's long-term obligations for the year ended June 30, 2021 was as follows:

Compensated absenses:	
July 1, 2020	\$ 1,739,155
Additions	658,019
Reductions	(506,577)
June 30, 2021	<u>1,890,597</u>
Short-term compensated absences	(669,602)
Long-term compensated absenses	<u><u>\$ 1,220,995</u></u>

**NOTE 8 – RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. There have been no significant reductions in insurance coverage from the previous year. The Authority has not settled claims in excess of the Authority's insurance coverage in any of the past three fiscal years.

The Authority's deductibles and maximum coverage follows:

Coverage	Deductible	HARRG/ ERMA	Excess Coverage
General liability	\$ 50,000	\$ 50,000	\$ 5,000,000
Property damage	100,000	100,000	100,000,000
Automobile liability	500	25,000	1,000,000
Employment practices	50,000	-	1,000,000
Employer's liability	-	350,000	5,000,000
Lead-Based Paint	25,000	-	500,000

Changes in the Authority's claims liability during the years ended June 30, 2021 and 2020 were as follows:

	Liability July 1	Changes in Estimates	Claims Payments	Liability June 30
2021	\$ 701,725	\$ 221,860	\$ 157,987	\$ 765,598
2020	\$ 542,044	\$ 362,956	\$ 203,275	\$ 701,725

The claims liability is reported as a component of the accounts payable in the statement of net position.

**(a) General Liability**

The Authority purchased coverage for excess liabilities with Housing Authority Risk Retention Group, Inc. (HARRG) for losses incurred above the deductible limit of \$50,000 per occurrence up to \$5 million per occurrence. Claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, new discovered information and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends (including frequency and amount of pay-outs), economic and social factors, newly discovered information and changes in the law.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Notes to Basic Financial Statements (Continued)  
 For the Year Ended June 30, 2021

**NOTE 8 – RISK MANAGEMENT (Continued)**

**(b) Workers' Compensation and Employer's Liability**

The Bay Area Housing Authority Risk Management Agency (BAHARMA) was formed under a joint powers agreement between the Authority and the Housing Authority of the City and County of San Francisco (SFHA). BAHARMA does not provide pooling or sharing of risk between its 2 members. Its purpose is to provide administrative and risk management services to the two housing authorities' worker's compensation self-insurance funds. Effective July 1, 2010, BAHARMA maintained excess insurance coverage above the self-insured retention level of \$350,000 up to \$5 million per occurrence.

Claims are paid from contributions received from the Authority and SFHA. BAHARMA is considered to be a claims-servicing entity and each member's net position is reported as due to members in the BAHARMA's statement of net position. At June 30, 2021, the Authority is due \$17.2 million from BAHARMA and reported this amount as a component of the other noncurrent assets in the Authority's statement of net position. The Authority does not expect to receive amounts due from BAHARMA in the near future.

Condensed financial information for BAHARMA is presented below as of and for the year ended September 30, 2020 (most recently available):

Statement of Net Position September 30, 2020		Statement of Revenues, Expenses and Changes in Net Position For the Year Ended September 30, 2020	
<b>Assets:</b>		<b>Operating revenues:</b>	
Cash and equivalents	\$ 36,774,578	Claims servicing revenues	<u>\$ 1,285,020</u>
Prepaid and other	676,559		
Investments	<u>5,642,530</u>	Total operating revenues	<u>1,285,020</u>
Total assets	<u>43,093,667</u>	<b>Operating expenses:</b>	
		Claims administration	207,916
<b>Liabilities:</b>		General and administration	<u>1,077,104</u>
Claims liability	12,559,867		
Due to members	30,297,235	Total operating expenses	<u>1,285,020</u>
Premium deposit and other	<u>236,565</u>		
Total liabilities	<u>43,093,667</u>	Change in net position	-
Net position	<u>\$ -</u>	Net position, beginning of year	<u>-</u>
		Net position, end of year	<u>\$ -</u>

Complete financial statements of BAHARMA can be obtained from the Director of Finance of the Authority at 1619 Harrison Street, Oakland, California 94612.

**NOTE 9 – PENSION PLAN – DEFINED CONTRIBUTION**

The International City/County Management Association (ICMA) Retirement Corporation Pension Plan is a defined contribution plan for employees hired before July 1, 1980. On July 1, 1980, the Authority's employees were given the opportunity to transfer to CalPERS and certain employees hired prior to July 1, 1980 chose to continue with the ICMA plan. As of June 30, 2021, there was one employee in this plan. For the year ended June 30, 2021, the Authority contributed 10% of annual covered salary related to this employee to the plan. Contributions in the amount of \$4,202 were made during the fiscal year June 30, 2021, and the plan had an ending investment balance of \$2,384,745 at June 30, 2021.

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**NOTE 10 – PENSION PLANS – DEFINED BENEFIT**

**(a) General Information**

The Authority's Pension Plans are being administered by the California Public Employees' Retirement System (CalPERS). This is for all employees hired after July 1, 1980, and includes employees who as of July 1, 1980 elected CalPERS pension plan coverage.

**Description of Plans** – All qualified Authority employees, as defined above, are eligible to participate in the Authority's separate Safety (police) Plan, a cost sharing multiple-employer defined benefit plan, and Miscellaneous (all other) Plan, an agent multiple-employer defined benefit pension plan, administered by CalPERS. CalPERS acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Authority resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

	Miscellaneous		Safety	
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 yrs of service	5 yrs of service	5 yrs of service	5 yrs of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	1.4% - 2.4%	1% - 2.5%	2.4% - 3%	2% - 2.7%
Required employee contribution rates	7.000%	6.750%	9.000%	11.500%
Required employer contribution rates	10.762%	8.389%	12.746%	11.990%

**Employees Covered** – At June 30, 2021, the most recent information available (as of June 30, 2020), the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	293	8
Inactive employees entitled to but not yet receiving benefits	231	19
Active employees	293	13
Total	817	40

**Contributions** – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with

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**NOTE 10 – PENSION PLANS – DEFINED BENEFIT (Continued)**

**(a) General Information (Continued)**

an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Effective July 1, 1994, the Authority elected to pay 100% of the employees' contributions to CalPERS or 7% of their annual covered salary for Miscellaneous Plan members hired prior to July 1, 2012, and members hired after July 1, 2012 agreed to pay 5% of the employees' 7% contribution. In addition, the Authority contributes on behalf of Safety Plan members the full contribution amount of 9% effective the pay period beginning October 26, 2009, for Safety Plan members hired prior to July 1, 2012. Members hired after July 1, 2012 agreed to pay 4% of the employees' 9% contribution.

For the year ended June 30, 2021, the Authority contributed \$11,409,809 and \$1,004,863 for the Miscellaneous and Safety Plans, respectively, that were reported as deferred outflows of resources in the statement of net position.

**(b) Net Pension Liability**

At June 30, 2021, the Authority's net pension liability is comprised of the following:

Miscellaneous Plan	\$ 8,142,993
Safety Plan	<u>2,243,089</u>
Total	<u><u>\$ 10,386,082</u></u>

The Authority's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position and the Safety Plan is reported as the Authority's proportionate share of the CalPERS Public Safety Risk Pool's net pension liability. The Authority's proportionate share of the net pension liability of the Safety Risk Pool was first determined at the rate plan level. The proportionate share of the Safety Risk Pool is then determined using the methodology as described below:

- 1) Total Pension Liability (TPL) – Allocated based on the employer's share of the Actuarial Liability
- 2) Fiduciary Net Position (FNP) – Allocated based on the employer's share of the Market Value of Assets plus Additional Payments
- 3) Net Pension Liability (NPL) – After completing the above calculations, subtract the FNP from TPL to calculate the employer's NPL.

The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the Safety pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority's net pension liability for each plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures.

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**NOTE 10 – PENSION PLANS – DEFINED BENEFIT (Continued)**

**Actuarial Assumptions** - The total pension liability for the Authority's Miscellaneous Plan was determined using the following actuarial assumptions:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Measurement period	July 1, 2019 to June 30, 2020
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Projected salary increases	Varies by entry age and service
Post retirement benefit increase	The lesser of contract COLA or 2.5% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter.
Mortality	Derived using CalPERS membership data for all funds*

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\* The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increases, mortality and retirement rates.

The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans ran out of assets. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called the "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB Statement No. 68 section.

The long-term expected rate of return on pension plan investments was determined net of pension plan investment expense but without reduction for pension plan administrative expense. Administrative expenses are assumed to be 15 basis points. The discount rate of 7.15 percent used for the June 30, 2020 measurement date is without a reduction for pension plan administrative expenses.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected PERF cash flows. Using historical returns of all PERF's asset classes, expected compound geometric returns were calculated over the short-term (first 10 years) and the long-term (11 + years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF. The expected

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**NOTE 10 – PENSION PLANS – DEFINED BENEFIT (Continued)**

rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of returns were calculated using the capital market assumptions applied to determine the discount rates and asset allocation. The target allocation for the June 30, 2020 measurement date was as follows:

Asset Class	Allocation	Years 1 - 10 <sup>(a)</sup>	Years 11+ <sup>(b)</sup>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	-0.92%
Total	<u>100%</u>		

<sup>(a)</sup> An expected inflation of 2.00% used for this period.

<sup>(b)</sup> An expected inflation of 2.92% used for this period.

**(c) Changes in the Net Pension Liability**

The changes in the net pension liability for the Miscellaneous Plan over the measurement period July 1, 2019 to June 30, 2020 is as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	\$ 139,016,214	\$ 133,458,429	\$ 5,557,785
Changes recognized for the measurement period:			
Service cost	4,001,469	-	4,001,469
Interest on the total pension liability	9,809,634	-	9,809,634
Differences between expected and actual experience	(615,849)	-	(615,849)
Contributions from the employer	-	2,509,707	(2,509,707)
Contributions from the employees	-	1,684,068	(1,684,068)
Investment income	-	6,604,199	(6,604,199)
Administrative expenses	-	(188,144)	188,144
Net plan to plan resource movement	-	216	(216)
Benefit payments, including refunds of employee contributions	(6,406,854)	(6,406,854)	-
Net changes during the measurement period	6,788,400	4,203,192	2,585,208
Balance at June 30, 2020 (measurement date)	<u>\$ 145,804,614</u>	<u>\$ 137,661,621</u>	<u>\$ 8,142,993</u>

The Authority's proportionate share of the net pension liability for the Safety Plan was 0.03367% as of June 30, 2020, an increase of 0.00724% from June 30, 2019.

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**NOTE 10 – PENSION PLANS – DEFINED BENEFIT (Continued)**

**(c) Changes in the Net Pension Liability (Continued)**

**Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate** - The following presents the net pension liability of the Miscellaneous Plan and the Authority's proportionate share of the net pension liability of the CalPERS Safety Risk Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate		
	-1% (6.15%)	Current (7.15%)	+1% (8.15%)
Miscellaneous Plan	\$ 27,334,315	\$ 8,142,993	\$ (7,760,765)
Safety Plan	<u>5,097,080</u>	<u>2,243,089</u>	<u>(98,880)</u>
Net Pension Liability (Asset)	<u><u>\$ 32,431,395</u></u>	<u><u>\$ 10,386,082</u></u>	<u><u>\$ (7,859,645)</u></u>

**Pension Plans' Fiduciary Net Position** – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**(d) Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2021, the Authority recognized \$4,519,908 in total pension expense including amortization of deferred outflows/inflows related to pensions. At June 30, 2021, the Authority's reported deferred outflows of resources and deferred inflows of resources related to the pensions are from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	Miscellaneous	Safety	Total	Miscellaneous	Safety	Total
Pension contributions subsequent to measurement date	\$ 11,409,809	\$ 1,004,863	\$ 12,414,672	\$ -	\$ -	\$ -
Changes in assumptions	-	-	-	(139,795)	(7,472)	(147,267)
Differences between expected and actual experiences	1,216,709	173,940	1,390,649	(444,780)	-	(444,780)
Net differences between projected and actual earnings on plan investments	1,189,506	48,752	1,238,258	-	-	-
Adjustment due to differences in proportions	-	562,422	562,422	-	-	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	420,868	420,868	\$ -	\$ (7,472)	\$ (592,047)
	<u><u>\$ 13,816,024</u></u>	<u><u>\$ 2,210,845</u></u>	<u><u>\$ 16,026,869</u></u>	<u><u>\$ (584,575)</u></u>	<u><u>\$ (7,472)</u></u>	<u><u>\$ (592,047)</u></u>

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**NOTE 10 – PENSION PLANS – DEFINED BENEFIT (Continued)**

**(d) Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

The pension contributions made subsequent to the measurement date of the net pension liability, totaling \$12,414,672, will be recognized as a reduction of the net pension liability in 2022 and the other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous	Safety
2022	\$ 128,567	\$ 510,757
2023	509,014	480,242
2024	614,405	183,082
2025	569,654	24,429
	<hr/> <u>\$ 1,821,640</u>	<hr/> <u>\$ 1,198,510</u>

**(e) Payable to the Pension Plan**

At June 30, 2021, the Authority did not have a payable for the outstanding amount of contributions to the pension plans required for the year.

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description** - The Authority provides certain medical benefits for its retired employees, their dependents, and surviving spouses through the CalPERS medical benefit program. To be eligible, employees must have retired under the CalPERS retirement plan. Employees who retire from the Authority at age 50 or older with 5 or more years of service are eligible for lifetime postemployment healthcare benefits. Benefits are provided to retirees, spouses and surviving spouses. For employees hired prior to January 1, 2017, the Authority contributes up to 100% of the lowest cost family plan available (referred to herein as the “cap”). After a retiree reaches Medicare age, the cap is based on post-Medicare premium rates. For 2017, Kaiser was the cap. Employees hired on or after that date must have at least 10 years of service at retirement in order to receive any employer paid benefits and subject to the retiree medical vesting schedule and cap pursuant to government code Section 22893. Starting at 10 years of service, the employer pays 50% of capped premium costs. The percentage of paid capped premium costs increases 5% for each year of service to a maximum of 100% paid at 20 or more completed years of service prior to retirement.

In 2011, the Authority entered into an agreement with CalPERS whereby the Authority participates in the California Employers’ Retiree Benefit Trust Fund Program (CERBT), an agent-multiple employer postemployment health plan, to prefund other postemployment benefits through CalPERS. The financial statements for CERBT may be obtained by writing the California Public Employees’ Retirement System, Constituent Relations Office, CERT (OPEB), P.O. Box 242709, Sacramento, California 94229-2709 or by calling 888-225-7377.

**Funding Policy** – In addition to amounts deposited with CERBT to prefund other postemployment benefits, the Authority is currently funding the OPEB plan on a pay-as-you-go basis. The Authority funded the pay-as-you go amount of \$2,256,228 during fiscal year June 30, 2021.

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**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

As of June 30, 2021, the fair value of the Authority's investments in the CERBT was proximately \$120,905,189. This balance is net of all plan activity during fiscal year 2021, including net annual investment earnings of \$26,116,448.

**Employees Covered**

The table below summarizes the participant data for active and retired employees and covered dependents of retirees based on the most recent actuarial valuation, which is as of June 30, 2019.

Active employees	321
Retired employees	190
Covered dependents of retirees	<u>82</u>
Total	<u>593</u>

**Net OPEB Liability (Asset)**

The Authority's net OPEB liability/(asset) was measured as of June 30, 2020, and the total OPEB liability was determined by an actuarial valuation dated June 30, 2020, using the following actuarial methods and

Description	Method and Assumptions
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Amortization Method/Period	Closed 20 Year Period
Discount Rate	6.00%
Inflation	2.26%
Salary Increases	3.25%
Investment Rate of Return	6.00%
Healthcare Cost Trend Rates	6.80% pre-65 in fiscal year 2020 with trend rates decreasing 0.25% per year through fiscal year 2027. 5.00% post-65 in fiscal year 2020 through fiscal year 2027.
Mortality	Pre-retirement: CalPERS 2017 Mortality for pre-retirement. Post-Retirement: CalPERS 2017 Mortality for Post-retirement.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past experiences and new estimates are made about the future. Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing cost between the Authority and plan members through June 30, 2019. Additionally, actuarial calculations reflect a long-term perspective and include methods and assumptions that are designed to reduce short-term volatility of actuarial accrued liabilities and actuarial value of assets. The Authority has relied on the work of the Authority's actuary to determine the Authority's net OPEB liability/(asset), and considers the underlying assumptions used by the actuary to be reasonable.

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**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Long Term Expected Rate of Return**

The valuation uses a discount rate of 6.00% per year, net of investment expenses and including inflation. This is an arithmetic long-term expected rate of return assumption on plan assets. This rate is based on the general inflation rate and expected real rate of return required for CalPERS reporting for use by employers who elect certain investment strategies as participants in CERBT. The target allocation and best estimates for long-term expected real rates of return for each major asset class, as of the June 30, 2019 measurement date, are summarized in the following table using CERBT Strategy 1 investment policy.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	60.0%	5.49%
Fixed Income	32.0%	1.65%
REITs	8.0%	5.06%

**Changes in the Net OPEB Liability/(Asset)**

The following table shows the changes in the net OPEB liability/(asset) based upon the Authority's OPEB Plan actuarial valuation with a measurement date as of the June 30, 2020.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Increase/Decrease Net OPEB Liability/(Asset) (a) – (b)
Balances at June 30, 2019	\$57,968,905	\$91,658,721	\$(33,689,816)
Changes recognized for the measurement period:			
Service cost	1,879,498	-	1,879,498
Interest	3,531,778	-	3,531,778
Differences between expected and actual experience	(19,106)	-	(19,106)
Changes of assumptions	22,310	-	22,310
Contributions – employer		2,000,009	(2,000,009)
Net investment income	-	3,238,341	(3,238,341)
Benefit payments	(2,000,009)	(2,000,009)	-
Administrative expenses	-	(44,777)	44,777
Net changes	<u>3,414,471</u>	<u>3,193,564</u>	<u>220,907</u>
Balances at June 30, 2020	<u>\$61,383,376</u>	<u>\$94,852,285</u>	<u>\$(33,468,908)</u>

The required schedule of changes in the net OPEB liability/(asset) and related ratios immediately following the notes to the financial statements presents the beginning and ending balances of the total OPEB liability/(asset), the plan fiduciary net position available for OPEB benefits, and the net OPEB liability/(asset), as well as the itemized changes in those amounts during the fiscal year. The schedule also reports a ratio of plan fiduciary net position as a percentage of the total OPEB liability/(asset), the payroll amount for current employees in the plan (covered employee payroll), and a ratio of the net OPEB liability/(asset) as a percentage of the covered employee payroll. Four years of information is presented and will build to 10 year of information on a prospective basis.

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**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

The required schedule of employer contributions immediately following the notes to the financial statements presents the actuarially determined contribution to the OPEB Plan, the actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of actual contributions as a percentage of covered employee payroll.

**Sensitivity of the Net OPEB Liability/(Asset) Due to Changes in the Discount Rate** – Pursuant to GASB Statement No. 75, the following table represents the net OPEB liability/(asset), calculated using the current discount rate of 6.00%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Current	
	1% Decrease	1% Increase
	(5.00%)	(7.00%)
Net OPEB Liability/(Asset)	(\$24,524,217)	(\$33,468,908)
		(\$40,793,125)

**Sensitivity of the Net OPEB Liability/(Asset) Due to Changes in the Health Care Cost Trend Rate** – Pursuant to GASB Statement No. 75, the following table represents the net OPEB liability/(asset) of the Authority, calculated using the current health care cost trend rate of 6.80% as well as what it would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

	Current Healthcare Cost Trend Rate	
	1% Decrease	1% Increase
(5.80% pre-65/ 4.00% post-65 decreasing to 4.00% pre-65/and 4.00% post-65)	(6.80% pre-65/ 5.00% post-65 decreasing to 5.00% pre-65/and 5.00% post-65)	(7.80% pre-65/ 6.00% post-65 decreasing to 6.00% pre-65/and 6.00% post-65)
Net OPEB Liability/(Asset)	(\$41,605,759)	(\$33,468,908)
		(\$23,310,994)

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**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2021, the Authority recognized OPEB expense of \$944,600. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	\$ 2,256,228	\$ -
Difference between expected and actual experience	-	465,155
Changes in assumptions	19,195	3,157,158
Net differences between projected and actual investment earnings	<u>649,630</u>	<u>-</u>
Total	<u><u>\$ 2,925,053</u></u>	<u><u>\$ 3,622,313</u></u>

\$2,256,228 reported as deferred outflows of resources related to OPEB contributions made subsequent to the measurement date of June 30, 2020, will be recognized as a reduction of the net OPEB liability/(asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized OPEB expense as follows:

Year Ending June 30	Deferred Outflows/ (Inflows) of Resources
2022	\$ (998,721)
2023	(631,905)
2024	(275,611)
2025	(243,428)
2026	(692,784)
Thereafter	(111,039)

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Notes to Basic Financial Statements (Continued)  
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**NOTE 12 – COMMITMENTS AND CONTINGENT LIABILITIES**

**Low Income Tax Credits** – The Authority's low-income tax credit partnerships are contingent on its ability to maintain compliance with applicable sections of Section 42 of the Internal Revenue Code. Failure to maintain compliance with occupant eligibility, and/or unit gross rent, or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest.

**Concentrations** - For the year ended June 30, 2021, approximately 94% of operating revenues and 10% of accounts receivables reflected in the financial statements are from HUD. The Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related costs and the additional administrative burden to comply with the changes.

**General Partner Operating Deficit Guarantees** - In relation to the performance of the tax credit partnerships for which the Authority is the general partner, the Authority has agreed to provide certain levels of funding in the event of partnership operating deficits that exceed operating reserves (see Note 13). As of June 30, 2021, no additional liability existed relating to excess operating deficits for any of the partnerships based on the Authority's analysis.

**Conduit Debt** – From time to time, the Authority has issued Multi-family Housing Revenue Bonds to provide funds to developers for the construction of multi-family housing projects. The bonds are payable solely from the revenues collected by the developers of the projects. The Authority is not obligated in any manner for repayment of the indebtedness. Accordingly, the liabilities are not reported in the Authority's basic financial statements.

In June 2012, the Authority participated in the issuance of \$21,000,000 of Multi-family Housing Revenue Bonds (Cathedral Gardens Project) Series 2012A-1 and 2012A-2 in the original principal amount of \$21.0 million for the purpose of providing funding necessary for the construction and development of a multi-family rental housing project known as the Cathedral Gardens Apartments, located at 668 21<sup>st</sup> Street, Oakland, California. At June 30, 2021, the principal amount payable for these bonds was approximately \$8.8 million.

In addition to conduit debt issued for entities not related to the Authority, the Authority has also issued other conduit debt for related entities (see Note 13).

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
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**NOTE 13 – RELATED PARTY TRANSACTIONS**

**(a) Chestnut Linden Associates (CLA)**

**Ground Lease** - CLA's lease of the land from the Authority on which Chestnut Court Apartments is built resulted in a one-time lease cost paid to the Authority of \$1 upon the closing of one or more CLA construction loans, and the term of the lease will expire in February 2082. In December, 2018 OHA Development LLC, exercised a buyout option to become the limited partner of the Chestnut Linden Court Project.

**(b) Mandela Gateway Associates (MGA)**

**Ground Lease** - MGA's lease of the land from the Authority on which the Mandela Gateway Project is built resulted in an annual lease cost of \$1 to be paid to the Authority over the life of the lease, which expires in February 2078. MGA has provided an option to acquire the Mandela Gateway Project to the Authority during the period from January 1, 2015 to June 30, 2020. The option price is the greater of the Project's fair market value, or the assumption of all outstanding debt and taxes. As this right was not exercised by the Authority, Chestnut Linden, Inc.'s option to acquire the Project began on July 1, 2020, and expires on December 31, 2023.

**(c) Oakland Coliseum Housing Partners (OCHP)**

**Ground Lease** - OCHP's lease of the land from the Authority on which Lion Creek Crossings – Phase I is built resulted in lease payments to be paid to the Authority in installments. The ground rent consisted of a payment in the amount of \$635,000 by OCHP to the Authority upon certain conditions specified in the ground lease agreement, and the term of the lease is for 75 years from the recording of the OCHP and the California Tax Credit Allocation Committee's tax credit restrictive covenant agreement.

**(d) Lion Way Housing Partners (LWHP)**

**Ground Lease** - LWHP's lease of the land from the Authority on which Lion Creek Crossings – Phase II is built resulted in lease payments to be paid to the Authority in installments. Total payments of \$1,080,000 by LWHP were paid as of December 31, 2009, and the term of the lease is for 89 years.

**(e) Creekside Housing Partners (CHP)**

**Ground Lease** - CHP's lease of the land from the Authority on which Lion Creek Crossings – Phase III is built resulted in lease payments to be paid to the Authority in installments. Total payments of \$1,145,200 by CHP were paid as of December 31, 2009, and the term of the lease is for 89 years.

**(f) Foothill Family Apartments (FFA)**

**Ground Lease** - FFA's lease of the land from the Authority on which the Foothill Family Apartments is built resulted in annual rent payments to be paid to the Authority of \$7,972 commencing on April 1, 2006. The annual lease payments are to be made from, and to the extent of, 90 percent of residual receipts, which amount shall not accrue. Unless sooner terminated pursuant to the provisions of the lease agreement, the lease shall continue in full and expire in July 2065. For the year ended June 30, 2021, the Authority did not receive lease income.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 13 – RELATED PARTY TRANSACTIONS (Continued)**

**(g) Tassafaronga Partners (TP)**

**Operating Deficit Guarantee** - The Authority has agreed to guarantee obligations of Tassafaronga Housing Corporation (THC), an affiliated entity, who is the general partner in Tassafaronga Partners, L.P. (TP), an affordable housing limited partnership. These obligations may include operating deficits and development and low-income housing tax credit guarantees. Under TP's amended and restated limited partnership agreement dated October 23, 2008, THC is obligated to provide any funds needed by TP, after all funds in the Operating Reserve Account have been used, to fund Operating Deficits up to \$1,446,921 during the Operating Deficit Guaranty Period, as defined in the agreement. As of June 30, 2021, there have been no operating deficit loans made to TP.

**Conduit Debt** - From time to time, the Authority has issued Multi-family Housing Revenue Bonds to provide funds to developers for the construction of multi-family housing projects. The bonds are payable solely from the revenues collected by the developers of the projects. The Authority is not obligated in any manner for repayment of the indebtedness. Accordingly, the liabilities are not reported in the primary government's basic financial statements.

On February 11, 2011, the conduit debt on the \$31,305,000 of Multi-family Housing Revenue Bonds Series 2008A and 2008B were paid off and the TP received permanent financing with two tranches. One (Series A) is in the amount of \$3,910,000, bears interest at 5.65%, matures May 1, 2046 and is payable in monthly installments of \$21,383 until maturity and the other (Series B) is in the amount of \$5,580,000, bears interest at 5.45% and matures on May 1, 2026, and is payable in monthly installments of \$46,993, until maturity. These bonds have a principal balance of \$5,605,000 as of December 31, 2020..

**(h) Tassafaronga Partners II (TP II)**

**Operating Deficit Guarantee** - The Authority has agreed to guarantee obligations of THC, who is the general partner in Tassafaronga Partners II, L.P. (TP II), an affordable housing limited partnership. These obligations may include operating deficits, development and low income housing tax credit guarantees. Under TP II's amended and restated limited partnership agreement dated August 20, 2009, THC is obligated to provide any funds needed by the TP II, after all funds in the Operating Reserve Account have been used, to fund Operating Deficits up to \$121,900. As of June 30, 2021, there have been no operating deficit loans made to TP II.

**(i) Village-Side Housing Partners (VSHP)**

**Ground Lease** - On November 1, 2010, VSHP entered into a ground lease agreement with the Authority to lease the land upon the 72-unit project is located. The lease term is for a period of 89 years. Upon expiration of the lease, the buildings and improvements become the property of the Authority. The ground lease consists of required payments totaling \$1,950,000, which was fully paid as of December 31, 2013. As of December 31, 2020, accumulated amortization was \$222,766.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 13 – RELATED PARTY TRANSACTIONS (Continued)**

(i) ***Village-Side Housing Partners (VSHP) (Continued)***

**Operating Assistance** - VSHP operates and maintains all of the 72-units in the project, other than a manager's unit, as qualified low-income tax credit units. Of these qualified low income units, 21 have been set aside as "ACC units", whose rents are restricted and may be less than the operating costs of the project units. The Authority has agreed to subsidize the operation of these units through the provisions of operating assistance provided to it by HUD subject to annual appropriations.

**Conduit Debt** - On November 1, 2010, the Authority also participated in the issuance of \$17,310,000 of Multi-family Housing Revenue Bonds (Lion Creek Crossings, Phase IV) Series 2010A. These bonds were issued to provide financing for the construction and development by VSHP for the Phase IV project.

(j) ***Lion Creek Senior Housing Partners, L.P. (LCSHP)***

**Ground Lease** - LCSHP entered into a ground lease agreement with the Authority to lease the land upon which the 128-unit project is located. The lease term is for a period of 90 years. Upon expiration of the lease, the buildings and improvements become the property of the Authority. In addition, LCSHP is obligated to pay all costs, expenses and obligations with respect to the project including real property taxes, insurance, utilities, operating costs and costs of maintenance. The ground lease consists of required payments totaling \$90, equivalent to \$1 annual rent.

(k) ***AveVista Associates, L.P. (AV)***

**Ground Lease** - AveVista entered into a ground lease agreement with the Authority to lease the land upon which the 68-unit project is located. The lease term is for a period of 90 years, which expires in 2102. Upon termination of the lease, the buildings and improvements become the property of the Authority. The ground lease consists of required payments totaling \$90, equivalent to \$1 annual rent.

**Developer Fee** - AveVista agreed to pay a developer fee to the Authority and BRIDGE Housing Corporation (BRIDGE) in the amount not to exceed \$2,500,000. Per the administrative fee and option indemnity agreement, the fee is to be split evenly between the Authority and BRIDGE. Proceeds for this fee should be paid from available debt and equity proceeds of the Partnership.

**Conduit Debt** - The Authority also participated in the issuance of \$16,532,000 of Multi-family Housing Revenue Bonds (AveVista Apartments Project) Series 2013A-1 and Series 2013A-2. These bonds were issued to provide financing for the construction and development by AveVista. These bonds have a principal balance of \$5,016,051 as of December 31, 2020, as summarized in Note 15.

(l) ***Oak Groves Senior Housing LP (OGSH)***

**Ground Lease** - OGSH entered into a ground lease agreement with the Authority to lease the land upon which the 151-unit project is located. The lease term is for a period of 99 years. The annual lease payments are to be made in an amount equal to residual receipts, which amount shall not accrue. Unless sooner terminated pursuant to the provisions of the lease agreement, the lease shall continue in full and expire in December 31, 2118. For the year ended June 30, 2021, the Authority did not receive lease income.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
**Notes to Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**NOTE 14 – SUMMARIZED FINANCIAL INFORMATION OF  
DISCRETELY PRESENTED COMPONENT UNITS**

The following table is the summarized financial information as of and for the year ended December 31, 2020 for the Authority's discretely presented component units.

	Oakland										Lion Creek					
	Chestnut Associates (1)	Mandela Associates (1)	Coliseum Housing Partners (1)	Lion Way Housing Partners (1)	Creekside Housing Partners (1)	Foothill Family Apartments (1)	Tassafaronga Partners (1)	Tassafaronga Partners II (1)	Senior Housing Partners (1)	Village-Side Housing Partners (1)	Ave Vista Associates (1)	Oak Groves Senior Housing LP	Total			
	Linden Gateway	Housing														
<b>Assets</b>																
Unrestricted cash and cash equivalents	\$ 255,530	\$ 256,251	\$ 233,525	\$ 507,607	\$ 515,950	\$ 284,837	\$ 509,553	\$ 122,809	\$ 1,119,178	\$ 267,689	\$ 259,673	\$ 14,743,661	\$ 19,076,263			
Restricted cash and cash equivalents	1,650,912	4,263,654	1,069,499	1,008,194	1,052,303	566,751	2,421,165	559,673	684,818	667,047	663,581	-	14,607,597			
Accounts receivable and other current assets	110,647	224,513	127,444	169,548	122,624	36,986	72,846	13,098	73,807	109,469	57,566	649,795	1,768,143			
Other noncurrent assets	7,957	-	498,479	893,930	992,155	-	23,820	3,848	38,946	1,746,237	19,880	1,367,632	5,592,884			
Capital assets, net	19,874,749	23,294,094	21,060,122	21,734,829	26,025,543	6,519,437	33,521,390	4,767,448	26,758,918	22,003,560	23,718,518	77,387,827	306,666,435			
Total assets	21,899,795	28,038,312	22,989,069	24,314,108	28,708,575	7,408,011	36,548,774	5,466,876	28,675,667	24,794,002	24,719,218	94,148,915	347,711,322			
<b>Liabilities</b>																
Current liabilities	482,475	3,112,512	332,959	368,593	258,892	453,152	1,241,205	135,739	1,231,909	173,429	484,529	5,247,960	13,523,354			
Other noncurrent liabilities	-	3,990,934	2,848,599	3,218,903	2,542,426	1,625,096	2,989,637	1,258,701	-	1,516,191	1,366,358	731,552	22,088,397			
Loans from the Authority (Note 5)	10,583,942	3,291,175	5,407,076	8,816,712	3,277,073	2,400,000	14,313,793	1,819,688	10,098,786	8,673,795	8,734,715	49,999,901	127,416,656			
Long-term obligations (other than loans from the Authority)	4,905,946	5,342,069	14,381,296	14,826,719	17,824,132	1,255,660	17,761,441	3,752,857	4,998,645	14,187,206	6,933,583	37,845,506	144,015,060			
Total liabilities	15,972,363	15,736,690	22,969,930	27,230,927	23,902,523	5,733,908	36,306,076	6,966,985	16,329,340	24,550,621	17,519,185	93,824,919	307,043,467			
Net position	\$ 5,927,432	\$ 12,301,622	\$ 19,139	\$ (2,916,819)	\$ 52,611,098	\$ 1,674,103	\$ 242,698	\$ (1,500,109)	\$ 12,346,327	\$ 243,381	\$ 7,200,033	\$ 323,996	\$ 40,667,855			
 Operating revenues																
Operating expenses	\$ 2,134,783	\$ 2,524,391	\$ 1,617,212	\$ 2,219,479	\$ 1,650,805	\$ 1,213,771	\$ 2,971,103	\$ 401,432	\$ 2,683,061	\$ 1,047,829	\$ 1,430,848	\$ 1,340,943	\$ 21,235,657			
(2,835,817)	(3,040,200)	(2,191,490)	(3,199,804)	(2,079,655)	(1,080,642)	(3,911,814)	(579,090)	(2,300,075)	(1,775,104)	(1,574,332)	(2,754,609)	(27,322,632)				
Operating income (loss)	(701,034)	(515,809)	(574,278)	(980,325)	(428,850)	133,129	(940,711)	(177,658)	382,986	(727,275)	(143,484)	(1,413,666)	(6,086,975)			
Nonoperating revenues	1,445	23,330	191	9,616	8,160	718	6,541	983	672	211	677	1,675	54,219			
Nonoperating expenses	(1,492)	(304,256)	(407,528)	(544,837)	(505,677)	(282,758)	(710,579)	(114,210)	(256,477)	(282,871)	(603,601)	(512,467)	(4,526,753)			
Income (loss) before capital distributions	(701,081)	(796,735)	(981,615)	(1,515,546)	(926,367)	(148,911)	(1,644,749)	(290,885)	127,181	(1,009,935)	(746,408)	(1,924,458)	(10,559,509)			
Capital distributions from partnerships	-	-	-	(144,383)	(47,583)	(29,347)	-	-	(20,291)	(76,211)	(8,155)	-	(325,970)			
Change in net position	(701,081)	(796,735)	(981,615)	(1,659,929)	(973,950)	(178,258)	(1,644,749)	(290,885)	106,890	(1,086,146)	(754,563)	(1,924,458)	(10,885,479)			
Net position, beginning of year	6,628,513	13,098,357	1,000,754	(1,256,890)	5,780,002	1,852,361	1,887,447	(1,209,224)	12,239,437	1,329,527	7,954,596	2,248,454	51,553,334			
Net position, end of year	\$ 5,927,432	\$ 12,301,622	\$ 19,139	\$ (2,916,819)	\$ 4,806,052	\$ 1,674,103	\$ 242,698	\$ (1,500,109)	\$ 12,346,327	\$ 243,381	\$ 7,200,033	\$ 323,996	\$ 40,667,855			

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
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**NOTE 14 – SUMMARIZED FINANCIAL INFORMATION OF  
DISCRETELY PRESENTED COMPONENT UNITS (Continued)**

**Custodial Credit Risk – Deposits** - The Authority's discrete component units maintain cash and cash equivalents with various financial institutions. At times, these balances may exceed federal insurance limits; however, the discrete component units have not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these balances which are reported as of December 31, 2020.

**Restricted Cash and Cash Equivalents** - The Authority's discrete component units are required to maintain the following types of restricted cash and cash equivalents:

- **Replacement Reserves** – The partnerships are required to maintain reserves for replacement and repair of property and equipment in accordance with the partnership agreements and the lenders' regulatory agreements.
- **Operating Reserves** – The partnerships are required to maintain operating reserves in accordance with the partnership agreements and the lenders' regulatory agreements.
- **Affordability Reserves** – The partnerships under various agreements are required to establish an affordability reserve to be used as provided in the Authority's regulatory agreements for the benefit of the project units.
- **Priority Distribution Reserves** – The partnerships are required to establish a reserve from designated proceeds as defined in the partnership agreements. Funds shall be used to distribute to the investor limited partner upon sale by the investor limited partner of its interest, the withdrawal of investor limited partner or the dissolution of the partnership.
- **Security Reserves** – The partnerships are required to establish a reserve from designated proceeds as defined in the partnership agreements. Funds shall be used to provide for security services during lease up period.
- **Asset Management Fee Reserves** – The partnerships are required to establish a reserve from designated proceeds as defined in the partnership agreements. Funds shall be released annually to pay the cumulative asset management fee to the investor limited partner. Any funds remaining after the end of the compliance period shall be distributed as cash flow at the time of withdrawal of the investor limited partner or dissolution of the partnerships.
- **Section 8 Reserves** – The partnerships are required to establish a Section 8 Reserve to secure a HAP Contract. Funds shall be available to cover operating shortfalls in the event Section 8 funds to the project are reduced or eliminated, subject to the consent of the limited partner, and any requisite approvals.
- **Debt Service Reserves** – The partnership received funds from the loan servicer for the next scheduled monthly debt service payment, which are held by the trustee until the due date.
- **Revenue Deficit Reserves** – The partnership is required to establish a revenue deficit reserve to fund the operating deficits in case the HUD rental assistance contract is not renewed or is reduced.
- **Escrow Deposits** – The partnerships hold escrow deposits for monthly impound deposits.
- **Tenant Security Deposits** – The partnerships are required to hold security deposits in separate bank accounts in the name of the housing project.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Notes to Basic Financial Statements (Continued)  
 For the Year Ended June 30, 2021

**NOTE 14 – SUMMARIZED FINANCIAL INFORMATION OF  
DISCRETELY PRESENTED COMPONENT UNITS (Continued)**

At December 31, 2020, these component units' restricted cash and cash equivalents are as follows:

	CLA	MGA	OCHP	LWHP	CHP	FFA	TP	TP II	VSHP	LCS	AV	OGSH LP	Total
Restricted deposits for:													
Replacement reserves	\$ 956,577	\$ 3,645,968	\$ 367,393	\$ 419,664	\$ 403,899	\$ 265,941	\$ 706,102	\$ 97,332	\$ 261,744	\$ 292,540	\$ 150,481	\$ -	\$ 7,567,641
Operating reserves	359,259	314,566	427,530	391,528	398,484	261,813	480,225	161,640	225,387	351,402	440,718	-	3,812,552
Affordability reserves	233,029	-	34,501	-	-	-	-	-	-	-	-	-	267,530
Priority distribution reserves	-	-	43,500	-	-	-	-	-	-	-	-	-	43,500
Security reserves	-	-	119,241	-	-	-	-	-	-	-	-	-	119,241
Asset management fee reserves	-	-	-	-	57,816	-	-	-	-	-	-	-	57,816
Section 8 reserves	-	-	-	90,168	119,987	-	-	-	142,625	-	-	-	352,780
Debt service reserves	-	-	-	-	-	-	74,346	-	-	-	-	-	74,346
Revenue deficit reserves	-	-	-	-	-	1,020,279	296,375	-	-	-	-	-	1,316,654
Escrow deposits	-	186,192	6,554	22,756	17,216	-	48,222	-	-	-	42,933	-	323,873
Tenant security deposits	102,047	116,928	70,780	84,078	54,901	38,997	91,991	4,326	37,291	40,876	29,449	30,744	702,408
Total restricted deposits	<u>\$ 1,650,912</u>	<u>\$ 4,263,654</u>	<u>\$ 1,069,499</u>	<u>\$ 1,008,194</u>	<u>\$ 1,052,303</u>	<u>\$ 566,751</u>	<u>\$ 2,421,165</u>	<u>\$ 559,673</u>	<u>\$ 667,047</u>	<u>\$ 684,818</u>	<u>\$ 663,581</u>	<u>\$ 30,744</u>	<u>\$ 14,638,341</u>

**Capital Assets** - The Authority component units' capital assets activity for the year ended December 31, 2020, is as follows:

	January 1, 2020	Additions/ Transfers	Reductions/ Transfers	December 31, 2020
<i>Capital assets, not being depreciated:</i>				
Land and improvements	\$ 16,563,703	\$ -	\$ -	\$ 16,563,703
Construction in progress	55,615,592	3,407,398	(55,595,435)	3,427,555
Total capital assets, not being depreciated	<u>72,179,295</u>	<u>3,407,398</u>	<u>(55,595,435)</u>	<u>19,991,258</u>
<i>Capital assets, being depreciated:</i>				
Building and improvements	342,351,772	75,382,416	-	417,734,188
Furniture and Fixtures	10,982,546	395,360	-	11,377,906
Vehicles	8,624	-	-	8,624
Total capital assets, being depreciated	<u>353,342,942</u>	<u>75,777,776</u>	<u>-</u>	<u>429,120,718</u>
<i>Less accumulated depreciation</i>				
Total capital assets, being depreciated, net	<u>(130,448,767)</u>	<u>(11,996,774)</u>	<u>-</u>	<u>(142,445,541)</u>
Component units capital assets, net	<u>222,894,175</u>	<u>63,781,002</u>	<u>-</u>	<u>286,675,177</u>
	<u>\$ 295,073,470</u>	<u>\$ 67,188,400</u>	<u>\$ (55,595,435)</u>	<u>\$ 306,666,435</u>

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Notes to Basic Financial Statements (Continued)  
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**NOTE 14 – SUMMARIZED FINANCIAL INFORMATION OF  
DISCRETELY PRESENTED COMPONENT UNITS (Continued)**

***Long-Term Obligations (Other than Loans from the Authority)***

Outstanding component units' long-term debt as of December 31, 2020, consisted of the following:

Type of indebtedness (purpose)	Maturity	Interest Rates	Principal Installments	Balance December 31, 2020
<i>Chestnut Linden Associates</i>				
Redevelopment Agency of the City of Oakland	2057	0.0%	Excess/distributable cash	\$ 4,386,245
World Savings Bank Affordable Housing Program	2057	0.0%	At maturity	604,000
Total Chestnut Linden Associates				<u>4,990,245</u>
<i>AveVista Associates LP</i>				
JP Morgan Chase I	2051	5.3%	\$27,755 monthly payment	5,016,051
JP Morgan Chase II	2051	3.6%	\$3,564 monthly payment	785,421
JP Morgan Chase II	2027	5.3%	At maturity	647,669
Federal Home Loan Bank of San Francisco	2030	0.0%	At maturity	670,000
Total AveVista Associates L.P.				<u>7,119,141</u>
<i>Mandela Gateway Associates</i>				
California Housing Finance Agency Note #1	2020	6.5%	\$38,547 monthly payments of principal and interest	
California Housing Finance Agency Note #3	2035	3.0%	Sufficient residual receipts	
Subtotal California Housing Finance Agency				827,409
Redevelopment Agency of the City of Oakland	2058	3.0%	Sufficient residual receipts	2,500,000
City of Oakland	2058	3.0%	Sufficient residual receipts	1,000,000
World Savings Bank Affordable Housing Program	2060	0.0%	At maturity	1,000,000
Total Mandela Gateway Associates				<u>5,327,409</u>
<i>Oakland Coliseum Housing Partners</i>				
California Housing Finance Agency Note #A	2042	5.5%	\$18,366 monthly payments of principal and interest	2,758,847
California Housing Finance Agency Note #B	2042	3.0%	\$2,213 monthly payments	416,879
Department of Housing and Community Development	2061	3.0%	0.42% of unpaid principal annually	7,965,000
City of Oakland	2059	0.0%	9.3% of cash flow	1,472,980
City of Oakland (Successor Agency)	2059	0.0%	9.3% of cash flow	1,472,980
Affinity Bank	2042	0.0%	At maturity	460,000
Total Oakland Coliseum Housing Partners				<u>14,546,686</u>
<i>Lion Way Housing Partners</i>				
California Housing Finance Agency Note #1	2047	5.9%	\$21,948 monthly payments of principal and interest	3,548,316
California Housing Finance Agency Note #2	2047	3.0%	\$2,613 monthly payments	578,663
Department of Housing and Community Development	2062	3.0%	0.42% of unpaid principal annually	10,315,000
Affinity Bank	2042	0.0%	At maturity	645,000
Total Lion Way Housing Partners				<u>15,086,979</u>
<i>Creekside Housing Partners</i>				
California Housing Finance Agency Note #A	2049	5.7%	\$21,601 monthly payments of principal and interest	3,631,478
California Housing Finance Agency Note #C	2049	3.0%	\$1,897 monthly payments	432,580
Department of Housing and Community Development	2064	3.0%	0.42% of unpaid principal annually	9,028,478
City of Oakland	2061	0.0%	9% of cash flow	4,500,597
Far East National Bank	2061	0.0%	At maturity	525,000
Total Creekside Housing Partners				<u>18,118,133</u>
<i>Foothill Family Apartments</i>				
Hanmi Bank, Federal Savings Bank	2035	7.5%	\$12,375 monthly payments	1,319,270
Total Foothill Family Apartments				<u>\$ 1,319,270</u>

(Continued on next page)

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Notes to Basic Financial Statements (Continued)  
 For the Year Ended June 30, 2021

**NOTE 14 – SUMMARIZED FINANCIAL INFORMATION OF  
DISCRETELY PRESENTED COMPONENT UNITS (Continued)**

***Long-Term Obligations (Other than Loans from the Authority)***

Outstanding component units' long-term debt as of December 31, 2020, consisted of the following (continued):

(Continued from previous page)

Type of indebtedness (purpose)	Maturity	Interest Rates	Principal Installments	Balance December 31, 2020
<i>Tassafaronga Partners, L.P.</i>				
Wells Fargo Bank, N.A. Series A and Series B	2026	5.45% - 5.65%	\$68,376 monthly payments	\$ 5,605,000
Redevelopment Agency of the City of Oakland	2063	0.0%	14.88% of cash flow	3,000,000
Department of Housing and Community Development	2066	3.0%	0.42% of unpaid principal annually	10,000,000
Total Tassafaronga Partners				<u>18,605,000</u>
<i>Tassafaronga Partners II, L.P.</i>				
California Department of Housing and Community Development	2066	3.0%	0.42% of unpaid principal annually	2,725,055
Citibank, N.A. - Affordable Housing Program	2065	0.0%	At maturity	200,000
County of Alameda - HOPWA Loan	2065	3.0%	10.2% of surplus cash	500,000
California Tax Credit Allocation Committee (TCAC)	2065	0.0%	At maturity	388,241
Total Tassafaronga Partners II				<u>3,813,296</u>
<i>Village-Side Housing Partners, L.P.</i>				
CCRC - Non-Section 8	2042	6.3%	\$3,817 monthly payments	635,362
CCRC - Section 8	2022	6.3%	\$3,739 monthly payments	
City of Oakland	2065	0.0%	50% of cash flow	3,467,503
Department of Housing and Community Development	2067	3.0%	0.42% of unpaid principal annually	7,527,592
Redevelopment Agency of the City of Oakland	2065	0.0%	50% of cash flow	2,953,303
Total Village-Side Housing Partners, L.P.				<u>14,583,760</u>
<i>Lion Creek Senior Housing Partners L.P.</i>				
MUFG Union Bank	2030	65% of LIBOR + 2.35%	Based on 15 year amortization	4,428,239
MUFG Union Bank (AHP Note)	2070	0.0%	At maturity	1,270,000
Total Lion Creek Senior Housing Partners, L.P.				<u>5,698,239</u>
<i>Oak Groves Senior Housing L.P.</i>				
US Bank	2022	1.49%	At maturity	38,246,626
Total Component Units				<u>\$ 147,454,784</u>

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Notes to Basic Financial Statements (Continued)  
 For the Year Ended June 30, 2021

**NOTE 14 – SUMMARIZED FINANCIAL INFORMATION OF  
DISCRETELY PRESENTED COMPONENT UNITS (Continued)**

Changes to the component units' long-term obligations for the year ended December 31, 2020, is as follows:

	Balance			Balance		Amounts	
	January 1, 2020	Additions	Reductions	December 31, 2020	Due Within One Year		
<b>Component Units:</b>							
Chestnut Linden Associates	\$ 5,134,011	\$ -	\$ (143,766)	\$ 4,990,245	\$ 28,290		
Mandela Gateway Associates	5,528,740	-	(201,331)	5,327,409	31,175		
Oakland Coliseum Housing Partners	14,633,561	-	(86,875)	14,546,686	84,672		
Lion Way Housing Partners	15,153,088	-	(66,109)	15,086,979	69,700		
Creekside Housing Partners	18,196,623	-	(78,490)	18,118,133	63,559		
Foothill Family Apartments	1,366,567	-	(47,297)	1,319,270	51,368		
Tassafaronga Partners	19,100,000	-	(495,000)	18,605,000	550,319		
Tassafaronga Partners II	3,813,296	-	-	3,813,296	-		
Village-Side Housing Partners, L.P.	14,661,068	-	(77,308)	14,583,760	52,452		
Lion Creek Senior Housing Partners, L.P.	6,047,175	-	(348,936)	5,698,239	365,877		
AveVista Associates, L.P.	7,267,466	-	(148,325)	7,119,141	157,266		
Oak Groves Senior Housing, L.P.	18,347,080	19,899,546	-	38,246,626	-		
Total	\$ 129,248,675	\$ 19,899,546	\$ (1,693,437)	147,454,784	\$ 1,454,678		
			Less unamortized debt issuance costs	(1,985,046)			
			Long-term obligations, net	\$ 145,469,738			

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Notes to Basic Financial Statements (Continued)  
 For the Year Ended June 30, 2021

**NOTE 15 – SUMMARIZED FINANCIAL INFORMATION OF  
BLENDED COMPONENT UNITS**

The statement of net position of CAHI and OAHPI are as follows at June 30, 2021:

	California Affordable Housing Initiatives, Inc.	Oakland Affordable Housing Preservation Initiatives
<b>Assets</b>		
Unrestricted cash and cash equivalents	\$ 65,467,878	\$ 15,813,644
Restricted cash and cash equivalents	485	83,258,810
Accounts receivable and other current assets	1,934,931	9,294,126
Other noncurrent assets	236,998	3,989,351
Capital assets, net	<u>13,123,297</u>	<u>25,989,424</u>
Total assets	<u>80,763,589</u>	<u>138,345,355</u>
 <b>Deferred outflows of resources</b>		
Pension related items	113,048	1,193,723
OPEB related items	<u>5,889</u>	<u>329,321</u>
Total deferred outflows of resources	<u>118,937</u>	<u>1,523,044</u>
 <b>Liabilities</b>		
Current liabilities	1,278,802	4,414,920
Due to the Authority	362,878	2,003,527
Other noncurrent liabilities	<u>122,145</u>	<u>1,142,936</u>
Total liabilities	<u>1,763,825</u>	<u>7,561,383</u>
 <b>Deferred inflows of resources</b>		
Pension related items	8,037	114,789
OPEB related items	<u>12,637</u>	<u>383,300</u>
Total deferred inflows of resources	<u>20,674</u>	<u>498,089</u>
 <b>Net position</b>		
Net investment in capital assets	13,123,297	25,989,424
Restricted	-	82,817,982
Unrestricted	<u>65,974,730</u>	<u>23,001,521</u>
Total net position	<u>\$ 79,098,027</u>	<u>\$ 131,808,927</u>

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Notes to Basic Financial Statements (Continued)  
 For the Year Ended June 30, 2021

**NOTE 15 – SUMMARIZED FINANCIAL INFORMATION OF  
BLENDED COMPONENT UNITS (Continued)**

The statement of revenues, expenses and changes in net position of CAHI and OAHPI are as follows for the year ended June 30, 2021:

	California Affordable Housing Initiatives, Inc.	Oakland Affordable Housing Preservation Initiatives
Operating revenues:		
Rental income	\$ -	\$ 38,764,363
Housing assistance payment revenues	725,101,518	-
Miscellaneous and other revenues	23,514,722	300,907
Total operating revenues	<u>748,616,240</u>	<u>39,065,270</u>
Operating expenses		
Program services	725,101,518	-
Management and general	16,154,594	25,024,500
Depreciation and amortization	400,513	3,742,522
Total operating expenses	<u>741,656,625</u>	<u>28,767,022</u>
Operating income	<u>6,959,615</u>	<u>10,298,248</u>
Nonoperating revenues (expenses)		
Investment income	14,331	33,981
Other nonoperating expense	-	(542,687)
Total nonoperating revenues (expenses), net	<u>14,331</u>	<u>(508,706)</u>
Change in net position	6,973,946	9,789,542
Net position, beginning of year	<u>72,124,081</u>	<u>122,019,385</u>
Net position, end of year	<u>\$ 79,098,027</u>	<u>\$ 131,808,927</u>

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Notes to Basic Financial Statements (Continued)  
 For the Year Ended June 30, 2021

**NOTE 15 – SUMMARIZED FINANCIAL INFORMATION OF  
BLENDED COMPONENT UNITS (Continued)**

The statement of cash flows of CAHI and OAHPI are as follows for the year ended June 30, 2021:

	California Affordable Housing Initiatives, Inc.	Oakland Affordable Housing Preservation Initiatives
Cash flows from operating activities:		
Receipts from tenants	\$ -	\$ 37,123,434
Receipts from others	775,018	300,907
Receipts from housing assistance programs	747,584,527	-
Payments to suppliers for goods and services	(15,884,823)	(24,493,855)
Housing assistance payments on behalf of tenants	(724,970,763)	-
Payments to employees for services	(354,409)	(818,061)
Total cash flows from operating activities	<u>7,149,550</u>	<u>12,112,425</u>
Cash flows from noncapital financing activities:		
Short term borrowing (repayments) from/to the Authority	<u>207,334</u>	<u>(3,078,841)</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	<u>(39,913)</u>	<u>(3,335,129)</u>
Cash flows from investing activities		
Interest income	<u>14,331</u>	<u>33,981</u>
Net change in cash and cash equivalents	<u>7,331,302</u>	<u>5,732,436</u>
Cash and cash equivalents, beginning of year	<u>58,137,061</u>	<u>93,340,018</u>
Cash and cash equivalents, end of year	<u>\$ 65,468,363</u>	<u>\$ 99,072,454</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 6,959,615	\$ 10,298,248
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	400,513	3,742,522
Other nonoperating expense	-	(542,687)
Change in net pension and OPEB asset and pension and OPEB related deferred outflows and inflows of resources	(77,749)	(176,827)
(Increase) decrease in:		
Accounts receivables	(230,823)	(2,177,599)
Prepays and other assets	(6,889)	(108,547)
(Increase) decrease in:		
Accounts payable and other accrued liabilities	104,883	540,645
Tenant security deposits and unearned revenues	-	536,670
Net cash provided by operating activities	<u>\$ 7,149,550</u>	<u>\$ 12,112,425</u>

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Notes to Basic Financial Statements (Continued)  
For the Year Ended June 30, 2021

**NOTE 16 –CORONAVIRUS DISEASE 2019 (COVID-19)**

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally. Due to the nature of OHA's operations, there was minimal impact from COVID-19 on this year's financial statements. At this time, OHA cannot estimate the impact of COVID-19 on future year's financial statements.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Required Supplementary Information (Unaudited)  
 Schedule of Changes in the Net Pension Liability and Related Ratios  
 Miscellaneous Plan  
 Last 10 Years\*

<b>Measurement Date</b>	2021	2020	2019	2018	2017	2016	2015
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>Total Pension Liability</b>							
Service cost	\$ 4,001,469	\$ 3,877,547	\$ 3,904,019	\$ 3,539,014	\$ 3,310,145	\$ 3,292,478	\$ 3,364,122
Interest on the total pension liability	9,809,634	9,341,678	8,716,651	8,131,615	7,816,926	7,426,882	6,975,906
Changes of assumptions**	-	-	(838,777)	6,592,553	-	(1,765,900)	-
Differences between expected and actual experience	(615,849)	1,846,165	2,377,149	(1,610,353)	(1,268,669)	(421,954)	-
Benefit payments, including refunds of employee contributions	(6,406,854)	(5,834,169)	(5,589,745)	(4,828,573)	(4,525,216)	(4,196,558)	(3,893,482)
Net change in total pension liability during measurement period	6,788,400	9,231,221	8,569,297	11,824,256	5,333,186	4,334,948	6,446,546
Total pension liability, beginning	139,016,214	129,784,993	121,215,696	109,391,440	104,058,254	99,723,306	93,276,760
<b>Total pension liability, ending</b>	<b>\$ 145,804,614</b>	<b>\$ 139,016,214</b>	<b>\$ 129,784,993</b>	<b>\$ 121,215,696</b>	<b>\$ 109,391,440</b>	<b>\$ 104,058,254</b>	<b>\$ 99,723,306</b>
<b>Plan Fiduciary Net Position</b>							
Contributions from the employer	\$ 2,509,707	\$ 2,368,628	\$ 8,270,111	\$ 2,024,979	\$ 2,131,200	\$ 7,801,695	\$ 6,509,930
Contributions from the employees	1,684,068	1,668,844	1,595,254	1,491,076	1,418,382	1,403,565	1,491,558
Net investment income	6,604,199	8,274,942	9,954,514	11,533,624	552,372	2,225,891	13,852,443
Benefit payments, including refunds of employee contributions	(6,406,854)	(5,834,169)	(5,589,745)	(4,828,573)	(4,525,216)	(4,196,558)	(3,893,482)
Other miscellaneous income/expenses***	216	333	(335,730)	-	-	-	-
Administrative expenses	(188,144)	(90,680)	(176,635)	(152,492)	(63,244)	(116,826)	-
Net change in plan fiduciary net position	4,203,192	6,387,898	13,717,769	10,068,614	(486,506)	7,117,767	17,960,449
Plan fiduciary net position, beginning	133,458,429	127,070,531	113,352,762	103,284,148	103,770,654	96,652,887	78,692,438
<b>Plan fiduciary net position, ending</b>	<b>\$ 137,661,621</b>	<b>\$ 133,458,429</b>	<b>\$ 127,070,531</b>	<b>\$ 113,352,762</b>	<b>\$ 103,284,148</b>	<b>\$ 103,770,654</b>	<b>\$ 96,652,887</b>
<b>Plan Net Pension Liability, ending</b>							
Plan fiduciary net position as a percentage of the total pension liability	<b>\$ 8,142,993</b>	<b>\$ 5,557,785</b>	<b>\$ 2,714,462</b>	<b>\$ 7,862,934</b>	<b>\$ 6,107,292</b>	<b>\$ 287,600</b>	<b>\$ 3,070,419</b>
Covered payroll	94.42%	96.00%	97.91%	93.51%	94.42%	99.72%	96.92%
Plan net pension liability as a percentage of covered payroll	<b>\$ 24,443,913</b>	<b>\$ 23,460,475</b>	<b>\$ 23,275,616</b>	<b>\$ 19,680,125</b>	<b>\$ 20,060,344</b>	<b>\$ 21,885,064</b>	<b>\$ 20,393,561</b>
	33.31%	23.69%	11.66%	39.95%	30.44%	1.31%	15.06%

\* Fiscal year 2015 was the first year of implementation of GASB Statement No. 68, therefore, only seven years of information is shown.

\*\* For the actuarial valuation with a measurement date as of June 30, 2017, the discount rate was reduced from 7.65% in 2016 to 7.15% for 2017.

For the actuarial valuation with a measurement date as of June 30, 2015, an adjustment was made to the discount rate from 7.5% (net of administrative expenses) to 7.65% (without a reduction for pension plan administrative expenses). In 2014, amounts reported were based on the 7.5% discount rate.

\*\*\* The Schedule of Changes in the Net Pension Liability and Related Ratios – Miscellaneous Plan does not include any liability impact that may have resulted from plan changes which occurred after June 30, 2017. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios:

Safety Plan

Last 10 Years\*

	2021	2020	2019	2018	2017	2016	2015
Plan's proportion of the net pension liability	0.03367%	0.02643%	0.02155%	0.01293%	0.01011%	0.00153%	0.03091%
Plan's proportionate share of the net pension liability	\$ 2,243,089	\$ 1,650,102	\$ 1,264,254	\$ 1,282,773	\$ 874,556	\$ 104,748	\$ 1,923,489
Plan's covered payroll	\$ 3,524,300	\$ 3,567,332	\$ 3,166,737	\$ 2,966,000	\$ 2,968,499	\$ 3,068,536	\$ 2,814,791
Plan's proportionate share of the net pension liability as a percentage of its covered payroll	62.88%	46.26%	39.92%	43.25%	29.46%	3.41%	68.34%
Plan's proportionate share of the fiduciary net pension as a percentage of the plan's total pension liability	75.10%	75.26%	73.31%	73.31%	74.06%	78.40%	81.42%

\* Fiscal year 2015 was the first year of implementation of GASB Statement No. 68, therefore, only seven years of information is shown.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Required Supplementary Information (Unaudited)  
 Schedule of Pension Contributions  
 Last 10 Years\*

**Miscellaneous Plan**

Actuarially determined contribution	\$ 2,509,707	\$ 2,368,628	\$ 2,162,819	\$ 2,108,634	\$ 2,894,523	\$ 3,113,392	\$ 1,980,747	\$ 1,940,192
Contributions in relation to the actuarially determined contribution	(11,409,809)	(2,368,628)	(8,270,111)	(2,108,634)	(2,894,523)	(3,113,392)	(2,131,200)	(6,509,930)
Contribution deficiency (excess)	<u>\$ (8,900,102)</u>	<u>\$ -</u>	<u>\$ (6,107,292)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (150,453)</u>	<u>\$ (4,569,738)</u>
Covered Payroll	\$ 24,443,913	\$ 23,460,475	\$ 23,275,616	\$ 22,984,635	\$ 19,680,125	\$ 20,060,344	\$ 18,952,179	\$ 20,393,561
Contributions as a Percentage of Covered Payroll	46.68%	10.10%	35.53%	9.17%	14.71%	15.52%	11.25%	31.92%

**Safety Plan**

Actuarially determined contribution	\$ 1,004,863	\$ 935,911	\$ 843,538	\$ 750,371	\$ 782,591	\$ 735,732	\$ 609,327	\$ 238,613
Contributions in relation to the actuarially determined contribution	(1,004,863)	(935,911)	(843,538)	(750,371)	(782,591)	(735,732)	(804,888)	(238,613)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (195,561)</u>	<u>\$ -</u>					
Covered Payroll	\$ 3,524,300	\$ 3,567,332	\$ 3,166,737	\$ 2,879,630	\$ 2,966,000	\$ 2,968,499	\$ 3,347,620	\$ 2,814,791
Contributions as a Percentage of Covered Payroll	28.51%	26.24%	26.64%	26.06%	26.39%	24.78%	24.04%	8.48%

The actuarial methods and assumptions used to set the actuarially determined contributions are as follows

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Valuation date								
Actuarial cost method					Entry-age normal cost method			
Amortization method					Level percent of payroll			
Asset valuation method					Actuarial value of assets			
					15 year smoothed market			
Inflation					2.625%			
Payroll growth					2.875%			
Projected salary increases				3.30% to 14.20% depending on age, service, and type of employment				
Investment rate of return	7.25%**	7.15%**	7.50%**	7.50%**	7.50%**	7.65%	7.50%**	7.50%**

Retirement age

The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.

Mortality

The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

\* Fiscal year 2015 was the first year of implementation of GASB Statement No. 68, therefore, only eight years of information is shown.

\*\* Net of pension plans' investment and administrative expenses, including inflation

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Required Supplementary Information (Unaudited)

Schedule of Changes in the Net Other Postemployment Benefit (OPEB) Liability(Asset) and Related Ratios

<b>Measurement Date</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB Liability</b>				
Service cost	\$ 1,879,498	\$ 2,402,438	\$ 2,288,036	\$ 2,288,036
Interest on the total pension liability	3,531,778	3,619,481	3,388,737	3,027,666
Change in benefit terms	-	-	-	2,608,282
Differences between expected and actual experience	(19,106)	(581,543)	(10,696)	(52,619)
Changes in assumptions	22,310	(4,380,626)	-	-
Benefit payments, including refunds of employee contributions	(2,000,009)	(1,997,093)	(1,874,180)	(1,833,461)
Net change in total OPEB liability during measurement period	3,414,471	(937,343)	3,791,897	6,037,904
Total OPEB liability, beginning	57,968,905	58,906,248	55,114,351	49,076,447
<b>Total OPEB liability, ending</b>	<b>\$ 61,383,376</b>	<b>\$ 57,968,905</b>	<b>\$ 58,906,248</b>	<b>\$ 55,114,351</b>
<b>Plan Fiduciary Net Position</b>				
Contributions from the employer	\$ 2,000,009	\$ 1,997,093	\$ 27,140,075	\$ 15,537,181
Contributions from the employees	-	-	-	-
Net investment income	3,238,341	5,312,263	5,843,976	4,466,500
Administrative expenses	(44,778)	(1,934)	(41,304)	(23,508)
Benefit payments, including refunds of employee contributions	(2,000,009)	(1,997,093)	(1,874,180)	(1,833,461)
Net change in plan fiduciary net position	3,193,563	5,310,329	31,068,567	18,146,712
Plan fiduciary net position, beginning	91,658,721	86,348,392	55,279,825	37,133,113
<b>Plan fiduciary net position, ending</b>	<b>\$ 94,852,284</b>	<b>\$ 91,658,721</b>	<b>\$ 86,348,392</b>	<b>\$ 55,279,825</b>
<b>Plan net OPEB liability (asset), ending</b>	<b>\$ (33,468,908)</b>	<b>\$ (33,689,816)</b>	<b>\$ (27,442,144)</b>	<b>\$ (165,474)</b>
Plan fiduciary net position as a percentage of the total OPEB liability	154.52%	158.12%	146.59%	100.30%
Covered-employee payroll	\$ 25,529,477	\$ 25,529,477	\$ 24,554,789	\$ 24,365,498
Plan net OPEB liability as a percentage of covered-employee payroll	-131.10%	-131.96%	-111.76%	-0.68%

\* Fiscal year 2018 was the first year of implementation of GASB Statement No. 75, therefore only four years of information is shown.

\*\* The Schedule of Proportionate Share of the Net Pension Liability and Related Ratios – Safety Plan does not include any liability impact that may have resulted from plan changes which occurred after June 30, 2018. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Required Supplementary Information (Unaudited)  
Schedule of OPEB Contributions

	2021	2020	2019	2018
Actuarially determined contribution	\$ -	\$ 2,530,101	\$ 2,414,189	\$ 3,135,555
Contributions in relation to the actuarially determined contribution	<u>2,256,228</u>	<u>2,000,009</u>	<u>27,140,075</u>	<u>31,695,210</u>
Contribution deficiency (excess)	<u><b>\$ (2,256,228)</b></u>	<u><b>\$ 530,092</b></u>	<u><b>\$ (24,725,886)</b></u>	<u><b>\$ (28,559,655)</b></u>
Covered-employee payroll	\$ 28,992,882	\$ 25,529,477	\$ 24,554,789	\$ 25,864,264
Contributions as a percentage of covered-employee payroll	7.78%	7.83%	110.53%	122.54%

The actuarial methods and assumptions used to set the actuarially determined contributions are as follows:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry-age normal
Amortization method	Straight line
Asset valuation method	Market value of assets
Inflation	2.26%
Projected salary increases	3.25%
Investment rate of return	6.00%
Health Care Cost Trend Rate	6.80% for pre-65 and 5.00% for post-65 reduced by level decrements to 5.00% in 2030 for both pre-65 and post-65.
Retirement Age	Varies by age, service, and employee type. For non-safety personnel rates were based on the most recent CalPERS Public Agency Miscellaneous 2% @ 55 for actives hired before January 1, 2013 and 2% @ 62 for actives hired on or after January 1, 2013.  For safety personnel the rates were from the CalPERS Public Agency Police 2014 experience study.
Mortality	The mortality rates used are those from the most recent CalPERS 2017 Mortality pre-retirement and post-retirement valuations

\* Fiscal year 2018 was the first year of implementation of GASB Statement No. 75, therefore, only four years of information is shown.

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## OTHER SUPPLEMENTARY INFORMATION

- Federal, Other Housing and General Programs
- Federal Programs
- Other Housing Programs



**Supporting Our OHA Community**

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**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
**Combining Schedule of Net Position**  
**Federal, Other Housing and General Programs**  
**June 30, 2021**

	Federal Programs	Other Housing Programs	General Programs	Eliminations	Total
<b>Assets:</b>					
Current assets:					
Unrestricted cash and cash equivalents	\$ 110,388,082	\$ 114,265,694	\$ 316,524	\$ -	\$ 224,970,300
Accounts receivable, net:					
U.S. Department of Housing and Urban Development	68,504	1,926,331	-	-	1,994,835
Tenants	753,622	1,851,334	3,445	-	2,608,401
Other	6,805,872	7,674,926	869,452	-	15,350,250
Due from other funds	16,896,884	3,346,656	939,553	(21,183,093)	-
Prepaid expenses	681,660	272,661	306,697	-	1,261,018
Restricted cash and cash equivalents	6,258,796	83,315,585	1,867	-	89,576,248
Total current assets	<u>141,853,420</u>	<u>212,653,187</u>	<u>2,437,538</u>	<u>(21,183,093)</u>	<u>335,761,052</u>
Noncurrent assets:					
Noncurrent interest receivable	4,851,911	3,442,487	-	-	8,294,398
Notes receivable from component units	58,407,054	76,138,862	-	-	134,545,916
Notes receivable from others	1,289,050	12,853,658	-	-	14,142,708
Net OPEB asset	19,434,095	4,137,316	9,897,497	-	33,468,908
Other noncurrent assets	1,590,538	17,190,933	1,600	-	18,783,071
Capital assets:					
Nondepreciable	50,681,715	38,704,859	440,279	-	89,826,853
Depreciable, net	4,976,238	32,569,893	13,319,085	-	50,865,216
Total capital assets	<u>55,657,953</u>	<u>71,274,752</u>	<u>13,759,364</u>	<u>-</u>	<u>140,692,069</u>
Total noncurrent assets	<u>141,230,601</u>	<u>185,038,008</u>	<u>23,658,461</u>	<u>-</u>	<u>349,927,070</u>
Total assets	<u>283,084,021</u>	<u>397,691,195</u>	<u>26,095,999</u>	<u>(21,183,093)</u>	<u>685,688,122</u>
Deferred outflows of resources:					
Pension related items	9,029,799	1,306,771	5,690,299	-	16,026,869
OPEB related items	1,683,961	335,210	905,882	-	2,925,053
Total deferred outflows of resources	<u>10,713,760</u>	<u>1,641,981</u>	<u>6,596,181</u>	<u>-</u>	<u>18,951,922</u>
Liabilities:					
Current liabilities:					
Accounts payable	1,912,506	3,225,748	690,139	-	5,828,393
Accrued payroll	1,145,082	-	576,969	-	1,722,051
Due to the U.S. Department of Housing and Urban Development	29,600	485	-	-	30,085
Due to other funds	4,256,534	16,924,497	2,062	(21,183,093)	-
Unearned revenues	4,035,583	1,147,027	-	-	5,182,610
Other accrued liabilities	2,650,401	875,665	211,152	-	3,737,218
Tenant security deposits	260,509	440,828	-	-	701,337
Current portion of compensated absences	377,161	94,082	198,359	-	669,602
Total current liabilities	<u>14,667,376</u>	<u>22,708,332</u>	<u>1,678,681</u>	<u>(21,183,093)</u>	<u>17,871,296</u>
Noncurrent liabilities:					
Compensated absences, net of current portion	632,857	126,075	462,063	-	1,220,995
Net pension liability	5,902,863	1,073,247	3,409,972	-	10,386,082
Family self sufficiency deposits	916,316	-	-	-	916,316
Total noncurrent liabilities	<u>7,452,036</u>	<u>1,199,322</u>	<u>3,872,035</u>	<u>-</u>	<u>12,523,393</u>
Total liabilities	<u>22,119,412</u>	<u>23,907,654</u>	<u>5,550,716</u>	<u>(21,183,093)</u>	<u>30,394,689</u>
Deferred inflows of resources:					
Pension related items	402,329	122,826	66,892	-	592,047
OPEB related items	2,232,176	395,937	994,200	-	3,622,313
Total deferred inflows of resources	<u>2,634,505</u>	<u>518,763</u>	<u>1,061,092</u>	<u>-</u>	<u>4,214,360</u>
Net position:					
Net investment in capital assets	55,657,953	71,274,753	13,759,364	-	140,692,070
Restricted for housing programs	5,102,554	82,874,757	1,867	-	87,979,178
Unrestricted	208,283,357	220,757,249	12,319,141	-	441,359,747
Total net position	<u>\$ 269,043,864</u>	<u>\$ 374,906,759</u>	<u>\$ 26,080,372</u>	<u>\$ -</u>	<u>\$ 670,030,995</u>

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Combining Schedule of Revenues, Expenses and Changes in Fund Net Position  
Federal, Other Housing and General Programs  
For the Year Ended June 30, 2021

	Federal Programs	Other Housing Programs	General Programs	Eliminations	Total
Operating revenues:					
Rental income	\$ 4,483,434	\$ 38,764,363	\$ -	\$ -	\$ 43,247,797
Housing assistance payment revenues	302,286,290	725,101,518	-	-	1,027,387,808
Other operating grants	16,110,167	-	-	-	16,110,167
Miscellaneous and other revenues	4,172,623	25,738,833	21,748,339	(22,820,623)	28,839,172
Total operating revenues	<u>327,052,514</u>	<u>789,604,714</u>	<u>21,748,339</u>	<u>(22,820,623)</u>	<u>1,115,584,944</u>
Operating expenses:					
Housing assistance payments	240,350,233	725,101,518	82,806	-	965,534,557
Administrative	23,388,745	2,575,337	15,724,918	-	41,689,000
Tenant services	1,071,164	130,691	23,110	-	1,224,965
Utilities	1,602,806	2,770,402	314,131	-	4,687,339
Maintenance and operations	5,412,581	9,530,650	3,549,522	-	18,492,753
General expenses	10,103,904	17,822,652	772,187	-	28,698,743
Depreciation and amortization	1,368,113	4,485,706	909,101	-	6,762,920
Overhead allocation	13,738,088	8,784,587	297,948	(22,820,623)	-
Total operating expenses	<u>297,035,634</u>	<u>771,201,543</u>	<u>21,673,723</u>	<u>(22,820,623)</u>	<u>1,067,090,277</u>
Operating income	<u>30,016,880</u>	<u>18,403,171</u>	<u>74,616</u>	<u>-</u>	<u>48,494,667</u>
Nonoperating revenues (expenses):					
Investment income	439,432	1,035,161	-	-	1,474,593
Other nonoperating expenses	(119,317)	(542,687)	(282,563)	-	(944,567)
Total nonoperating revenues (expenses), net	<u>320,115</u>	<u>492,474</u>	<u>(282,563)</u>	<u>-</u>	<u>530,026</u>
Income (loss) before transfers and contributions	<u>30,336,995</u>	<u>18,895,645</u>	<u>(207,947)</u>	<u>-</u>	<u>49,024,693</u>
Transfers in	359,687,159	630,465	40,562,185	(400,879,809)	-
Transfers out	(367,929,168)	(2,302)	(32,948,339)	400,879,809	-
Change in net position	<u>22,094,986</u>	<u>19,523,808</u>	<u>7,405,899</u>	<u>-</u>	<u>49,024,693</u>
Net position, beginning of year	<u>246,948,878</u>	<u>355,382,951</u>	<u>18,674,473</u>	<u>-</u>	<u>621,006,302</u>
Net position, end of year	<u>\$ 269,043,864</u>	<u>\$ 374,906,759</u>	<u>\$ 26,080,372</u>	<u>\$ -</u>	<u>\$ 670,030,995</u>

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Combining Schedule of Cash Flows  
Federal, Other Housing and General Programs  
For the Year Ended June 30, 2021

	Federal Programs	Other Housing Programs	General Programs	Eliminations	Total
<b>Cash flows from operating activities:</b>					
Receipts from tenants	\$ 4,003,597	\$ 38,527,457	\$ -	\$ -	\$ 42,531,054
Receipts from customers and others	4,221,531	24,097,390	21,130,146	(22,820,623)	26,628,444
Receipts from housing assistance programs	322,397,675	725,376,971	-	-	1,047,774,646
Operating grants received	16,110,167	-	-	-	16,110,167
Payments for interfund services used	(13,738,088)	(8,784,587)	(297,948)	22,820,623	-
Payments to suppliers for goods and services	(18,189,053)	(32,101,386)	(6,766,978)	-	(57,057,417)
Housing assistance payments on behalf of tenants	(240,432,241)	(725,127,390)	(82,806)	-	(965,642,437)
Payments to employees for services	(27,322,335)	(2,867,555)	(20,179,576)	-	(50,369,466)
Net cash provided by (used in) operating activities	<u>47,051,253</u>	<u>19,120,900</u>	<u>(6,197,162)</u>	<u>-</u>	<u>59,974,991</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers in	359,687,159	630,465	40,562,185	(400,879,809)	-
Transfers out	(367,929,168)	(2,302)	(32,948,339)	400,879,809	-
Net disbursement of loans to other programs	-	(2,823,420)	427,236	2,396,184	-
Net receipts of loans from other programs	2,396,184	-	-	(2,396,184)	-
Net receipts (disbursements) of loans to related parties and component units	<u>(2,496,579)</u>	<u>289,750</u>	<u>-</u>	<u>-</u>	<u>(2,206,829)</u>
Net cash provided by (used in) noncapital financing activities	<u>(8,342,404)</u>	<u>(1,905,507)</u>	<u>8,041,082</u>	<u>-</u>	<u>(2,206,829)</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets	<u>(6,995,410)</u>	<u>(3,375,042)</u>	<u>(1,539,390)</u>	<u>-</u>	<u>(11,909,842)</u>
<b>Cash flows from investing activities:</b>					
Interest received	<u>315,142</u>	<u>249,853</u>	<u>-</u>	<u>-</u>	<u>564,995</u>
Net change in cash and cash equivalents	<u>32,028,581</u>	<u>14,090,204</u>	<u>304,530</u>	<u>-</u>	<u>46,423,315</u>
Cash and cash equivalents, beginning of year	<u>84,618,297</u>	<u>183,491,075</u>	<u>13,861</u>	<u>-</u>	<u>268,123,233</u>
Cash and cash equivalents, end of year	<u><u>\$ 116,646,878</u></u>	<u><u>\$ 197,581,279</u></u>	<u><u>\$ 318,391</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 314,546,548</u></u>

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Combining Schedule of Cash Flows  
Federal, Other Housing and General Programs  
For the Year Ended June 30, 2021

	Federal Programs	Other Housing Programs	General Programs	Eliminations	Total
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income	\$ 30,016,880	\$ 18,403,171	\$ 74,616	\$ -	\$ 48,494,667
Adjustment to reconcile operating income to net cash provided (used in) by operating activities:					
Depreciation and amortization	1,368,113	4,485,706	909,101	-	6,762,920
Other expenses	(119,317)	(542,687)	(282,563)	-	(944,567)
Change in net pension and OPEB liability and pension and OPEB related deferred outflows and inflows of resources	(3,909,696)	(335,833)	(4,492,619)	-	(8,738,148)
Decrease (increase) in:					
Receivables	18,087,163	(2,139,566)	(618,193)	-	15,329,404
Prepaid expenses	(365,497)	(114,838)	(306,697)	-	(787,032)
Other noncurrent assets	(977,248)	(1,922,881)	-	-	(2,900,129)
Increase (decrease) in:					
Accounts payable	967,915	671,459	(1,729,920)	-	(90,546)
Accrued payroll	(122,633)	-	28,873	-	(93,760)
Due to the U.S. Department of Housing and Urban Development	(82,008)	(25,872)	-	-	(107,880)
Tenant security deposits	(102,323)	24,999	-	-	(77,324)
Unearned revenues	1,695,616	511,671	-	-	2,207,287
Compensated absences	98,739	43,615	9,088	-	151,442
Other liabilities	495,549	61,956	211,152	-	768,657
Net cash provided by (used in) operating activities	<u>\$ 47,051,253</u>	<u>\$ 19,120,900</u>	<u>\$ (6,197,162)</u>	<u>\$ -</u>	<u>\$ 59,974,991</u>
Cash and cash equivalents:					
Unrestricted cash and cash equivalents	\$ 110,388,082	\$ 114,265,694	\$ 316,524	\$ -	\$ 224,970,300
Restricted cash and cash equivalents	6,258,796	83,315,585	1,867	-	89,576,248
Total cash and cash equivalents	<u>\$ 116,646,878</u>	<u>\$ 197,581,279</u>	<u>\$ 318,391</u>	<u>\$ -</u>	<u>\$ 314,546,548</u>

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**HOUSING AUTHORITY OF THE**

**CITY OF OAKLAND, CALIFORNIA**

Combining Schedule of Net Position

Federal Programs

June 30, 2021

**Section 8**

	<b>Low Rent Housing Program</b>	<b>Substantial and Moderate Rehabilitation</b>	<b>Housing Choice Voucher</b>	<b>Moving To Work</b>	<b>Mainstream Voucher</b>
<b>Assets:</b>					
Current assets:					
Unrestricted cash and cash equivalents	\$ 10,233,429	\$ 1,006,112	\$ 1,248,922	\$ 87,621,766	\$ -
Accounts receivable, net:					
U.S. Department of Housing and Urban Development	-	36,332	-	-	32,172
Tenants	752,122	-	1,500	-	-
Other	187,497	4,520	4,508,617	467,308	8,342
Due from other funds	9,714	9,517	345,000	16,488,542	14,423
Prepaid expenses	135,815	-	140,179	388,095	-
Restricted cash and cash equivalents	2,120,694	-	890,311	3,238,594	9,197
Total current assets	<u>13,439,271</u>	<u>1,056,481</u>	<u>7,134,529</u>	<u>108,204,305</u>	<u>64,134</u>
Noncurrent assets:					
Noncurrent interest receivable	2,957,057	-	-	179,118	-
Notes receivable from component units	13,438,861	-	-	8,509,516	-
Notes receivable from others	-	-	-	1,289,050	-
Net OPEB asset	3,491,347	-	11,223,733	4,719,015	-
Other noncurrent assets	-	-	-	1,590,538	-
Capital assets:					
Nondepreciable	32,080,604	-	-	18,601,111	-
Depreciable, net	2,242,956	-	1,767,343	965,939	-
Total capital assets	<u>34,323,560</u>	<u>-</u>	<u>1,767,343</u>	<u>19,567,050</u>	<u>-</u>
Total noncurrent assets	<u>54,210,825</u>	<u>-</u>	<u>12,991,076</u>	<u>35,854,287</u>	<u>-</u>
Total assets	<u>67,650,096</u>	<u>1,056,481</u>	<u>20,125,605</u>	<u>144,058,592</u>	<u>64,134</u>
Deferred outflows of resources:					
Pension related items	818,558	-	3,732,931	4,478,310	-
OPEB related items	741,685	-	879,409	62,867	-
Total deferred outflows of resources	<u>1,560,243</u>	<u>-</u>	<u>4,612,340</u>	<u>4,541,177</u>	<u>-</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	197,015	60,505	1,039,136	529,020	86,824
Accrued payroll	168,437	-	466,469	495,575	-
Due to the U.S. Department of Housing and Urban Development	29,600	-	-	-	-
Due to other funds	-	379,034	146,821	1,549,961	212,718
Unearned revenues	120,025	100	32,786	3,841,029	41,643
Other accrued liabilities	576,487	-	1,057,460	1,013,777	2,677
Tenant security deposits	256,734	-	3,775	-	-
Current portion of compensated absences	21,841	-	220,708	126,028	378
Total current liabilities	<u>1,370,139</u>	<u>439,639</u>	<u>2,967,155</u>	<u>7,555,390</u>	<u>344,240</u>
Noncurrent liabilities:					
Compensated absence, net of current portion	89,562	-	300,707	240,439	2,149
Net pension liability	673,376	-	2,598,262	2,618,238	12,987
Family self sufficiency deposits	-	-	905,115	-	11,201
Total noncurrent liabilities	<u>762,938</u>	<u>-</u>	<u>3,804,084</u>	<u>2,858,677</u>	<u>26,337</u>
Total liabilities	<u>2,133,077</u>	<u>439,639</u>	<u>6,771,239</u>	<u>10,414,067</u>	<u>370,577</u>
Deferred inflows of resources:					
Pension related items	34,015	-	273,818	68,062	26,434
OPEB related items	385,435	-	1,144,661	702,080	-
Total deferred inflows of resources	<u>419,450</u>	<u>-</u>	<u>1,418,479</u>	<u>770,142</u>	<u>26,434</u>
Net position:					
Net investment in capital assets	34,323,560	-	1,767,343	19,567,050	-
Restricted for housing programs	1,863,960	-	-	3,238,594	-
Unrestricted	30,470,292	616,842	14,780,884	114,609,916	(332,877)
Total net position	<u>\$ 66,657,812</u>	<u>\$ 616,842</u>	<u>\$ 16,548,227</u>	<u>\$ 137,415,560</u>	<u>\$ (332,877)</u>

HOPE VI	Family Self Sufficiency	Shelter Plus Care	Total
\$ 10,277,853	\$ -	\$ -	\$ 110,388,082
-	-	-	68,504
-	-	-	753,622
-	201,581	1,428,007	6,805,872
-	2,672	27,016	16,896,884
-	17,571	-	681,660
-	-	-	6,258,796
<u>10,277,853</u>	<u>221,824</u>	<u>1,455,023</u>	<u>141,853,420</u>
1,715,736	-	-	4,851,911
<u>36,458,677</u>	<u>-</u>	<u>-</u>	<u>58,407,054</u>
-	-	-	1,289,050
-	-	-	19,434,095
-	-	-	1,590,538
-	-	-	50,681,715
-	-	-	4,976,238
<u>-</u>	<u>-</u>	<u>-</u>	<u>55,657,953</u>
<u>38,174,413</u>	<u>-</u>	<u>-</u>	<u>141,230,601</u>
<u>48,452,266</u>	<u>221,824</u>	<u>1,455,023</u>	<u>283,084,021</u>
-	-	-	9,029,799
-	-	-	1,683,961
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,713,760</u>
6	-	-	1,912,506
-	14,601	-	1,145,082
-	-	-	29,600
42,125	566,749	1,359,126	4,256,534
-	-	-	4,035,583
-	-	-	2,650,401
-	-	-	260,509
-	8,206	-	377,161
<u>42,125</u>	<u>589,562</u>	<u>1,359,126</u>	<u>14,667,376</u>
-	-	-	632,857
-	-	-	5,902,863
<u>-</u>	<u>-</u>	<u>-</u>	<u>916,316</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,452,036</u>
<u>42,125</u>	<u>589,562</u>	<u>1,359,126</u>	<u>22,119,412</u>
-	-	-	402,329
-	-	-	2,232,176
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,634,505</u>
-	-	-	55,657,953
-	-	-	5,102,554
<u>48,410,141</u>	<u>(367,738)</u>	<u>95,897</u>	<u>208,283,357</u>
<u><u>\$ 48,410,141</u></u>	<u><u>\$ (367,738)</u></u>	<u><u>\$ 95,897</u></u>	<u><u>\$ 269,043,864</u></u>

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position  
 Federal Programs  
 For the Year Ended June 30, 2021

	Section 8				
	Low Rent Housing Program	Substantial and Moderate Rehabilitation	Housing Choice Voucher	Moving To Work	Mainstream Voucher
Operating revenues:					
Rental income	\$ 4,483,434	\$ -	\$ -	\$ -	\$ -
Housing assistance payment revenues	-	1,407,398	4,392,353	293,745,573	2,740,966
Other operating grants	-	-	25,567	9,554,680	-
Miscellaneous and other revenues	81,249	-	3,306,263	690,607	94,504
Total operating revenues	<u>4,564,683</u>	<u>1,407,398</u>	<u>7,724,183</u>	<u>303,990,860</u>	<u>2,835,470</u>
Operating expenses:					
Housing assistance payments	-	1,370,614	230,704,274	393,250	2,842,829
Administrative	2,244,898	-	14,010,934	5,655,310	620
Tenant services	237,423	-	468,213	320,176	-
Utilities	1,602,806	-	-	-	-
Maintenance and operations	5,081,774	-	23,373	307,434	-
General expenses	2,968,587	-	489,445	6,595,777	-
Depreciation and amortization	977,258	-	177,509	213,346	-
Overhead allocation	5,515,316	157,937	4,567,815	2,855,328	193,281
Total operating expenses	<u>18,628,062</u>	<u>1,528,551</u>	<u>250,441,563</u>	<u>16,340,621</u>	<u>3,036,730</u>
Operating income (loss)	<u>(14,063,379)</u>	<u>(121,153)</u>	<u>(242,717,380)</u>	<u>287,650,239</u>	<u>(201,260)</u>
Nonoperating revenues (expenses):					
Investment income	169,795	-	-	88,271	-
Other nonoperating expenses	(119,317)	-	-	-	-
Total nonoperating revenues, net	<u>50,478</u>	<u>-</u>	<u>-</u>	<u>88,271</u>	<u>-</u>
Income (loss) before transfers	<u>(14,012,901)</u>	<u>(121,153)</u>	<u>(242,717,380)</u>	<u>287,738,510</u>	<u>(201,260)</u>
Transfers in	28,203,676	-	288,928,810	42,554,673	-
Transfers out	(12,256,519)	-	(43,976,060)	(311,696,589)	-
Change in net position	<u>1,934,256</u>	<u>(121,153)</u>	<u>2,235,370</u>	<u>18,596,594</u>	<u>(201,260)</u>
Net position, beginning of year	<u>64,723,556</u>	<u>737,995</u>	<u>14,312,857</u>	<u>118,818,966</u>	<u>(131,617)</u>
Net position, end of year	<u>\$ 66,657,812</u>	<u>\$ 616,842</u>	<u>\$ 16,548,227</u>	<u>\$ 137,415,560</u>	<u>\$ (332,877)</u>

HOPE VI	Family	Shelter	Total
	Self Sufficiency	Plus Care	
\$ -	\$ -	\$ -	\$ 4,483,434
-	-	-	302,286,290
-	1,204,692	5,325,228	16,110,167
-	-	-	4,172,623
<u>-</u>	<u>1,204,692</u>	<u>5,325,228</u>	<u>327,052,514</u>
 -	 -	 5,039,266	 240,350,233
-	1,476,983	-	23,388,745
-	45,352	-	1,071,164
-	-	-	1,602,806
-	-	-	5,412,581
-	50,095	-	10,103,904
-	-	-	1,368,113
-	-	448,411	13,738,088
<u>-</u>	<u>1,572,430</u>	<u>5,487,677</u>	<u>297,035,634</u>
 <u>-</u>	 <u>(367,738)</u>	 <u>(162,449)</u>	 <u>30,016,880</u>
 181,366	 -	 -	 439,432
<u>181,366</u>	<u>-</u>	<u>-</u>	<u>(119,317)</u>
 181,366	 -	 -	 320,115
<u>181,366</u>	<u>(367,738)</u>	<u>(162,449)</u>	<u>30,336,995</u>
 -	 -	 -	 359,687,159
<u>-</u>	<u>-</u>	<u>-</u>	<u>(367,929,168)</u>
 181,366	 (367,738)	 (162,449)	 22,094,986
<u>48,228,775</u>	<u>-</u>	<u>258,346</u>	<u>246,948,878</u>
 <u>\$ 48,410,141</u>	 <u>\$ (367,738)</u>	 <u>\$ 95,897</u>	 <u>\$ 269,043,864</u>

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Combining Schedule of Net Position  
Other Housing Programs  
June 30, 2021

	OHA Other	CAHI	OAHPi	Total
<b>Assets:</b>				
Current assets:				
Unrestricted cash and cash equivalents	\$ 32,983,687	\$ 65,468,363	\$ 15,813,644	\$ 114,265,694
Accounts receivable, net:				
U.S. Department of Housing and Urban Development	-	1,926,331	-	1,926,331
Tenants	-	-	1,851,334	1,851,334
Other	431,919	-	7,243,007	7,674,926
Due from other funds	3,338,056	8,600	-	3,346,656
Prepaid expenses	492	72,383	199,785	272,660
Restricted cash and cash equivalents	56,775	-	83,258,810	83,315,585
<b>Total current assets</b>	<b>36,810,929</b>	<b>67,475,677</b>	<b>108,366,580</b>	<b>212,653,186</b>
Noncurrent assets:				
Noncurrent interest receivable	3,442,487	-	-	3,442,487
Notes receivable from component units	76,138,862	-	-	76,138,862
Notes receivable from others	12,853,658	-	-	12,853,658
Net OPEB asset	-	147,965	3,989,351	4,137,316
Other noncurrent assets	17,190,933	-	-	17,190,933
Capital assets:				
Nondepreciable	29,609,785	4,796,933	4,298,142	38,704,860
Depreciable, net	2,552,246	8,326,365	21,691,282	32,569,893
<b>Total capital assets</b>	<b>32,162,031</b>	<b>13,123,298</b>	<b>25,989,424</b>	<b>71,274,753</b>
Total noncurrent assets	141,787,971	13,271,263	29,978,775	185,038,009
<b>Total assets</b>	<b>178,598,900</b>	<b>80,746,940</b>	<b>138,345,355</b>	<b>397,691,195</b>
Deferred outflows of resources:				
Pension related items	-	113,048	1,193,723	1,306,771
OPEB related items	-	5,889	329,321	335,210
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>118,937</b>	<b>1,523,044</b>	<b>1,641,981</b>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	122	1,278,255	1,947,371	3,225,748
Due to the U.S. Department of Housing and Urban Development	-	485	-	485
Due to other funds	14,558,092	362,878	2,003,527	16,924,497
Unearned revenues	-	-	1,147,027	1,147,027
Other accrued liabilities	40,880	45,258	789,527	875,665
Tenant security deposits	-	-	440,828	440,828
Current portion of compensated absences	-	3,915	90,167	94,082
<b>Total current liabilities</b>	<b>14,599,094</b>	<b>1,690,791</b>	<b>6,418,447</b>	<b>22,708,332</b>
Noncurrent liabilities:				
Compensated absences, net of current portion	-	8,017	118,058	126,075
Net pension liability	-	48,369	1,024,878	1,073,247
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>56,386</b>	<b>1,142,936</b>	<b>1,199,322</b>
<b>Total liabilities</b>	<b>14,599,094</b>	<b>1,747,177</b>	<b>7,561,383</b>	<b>23,907,654</b>
Deferred inflows of resources:				
Pension related items	-	8,037	114,789	122,826
OPEB related items	-	12,637	383,300	395,937
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>20,674</b>	<b>498,089</b>	<b>518,763</b>
Net position:				
Net investment in capital assets	32,162,031	13,123,298	25,989,424	71,274,753
Restricted for housing programs	56,775	-	82,817,982	82,874,757
Unrestricted	131,781,000	65,974,728	23,001,521	220,757,249
<b>Total net position</b>	<b>\$ 163,999,806</b>	<b>\$ 79,098,026</b>	<b>\$ 131,808,927</b>	<b>\$ 374,906,759</b>

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position  
 Other Housing Programs  
 For the Year Ended June 30, 2021

	OHA	Other	CAHI	OAHPI	Total
Operating revenues:					
Rental income	\$ -	\$ -	\$ 38,764,363	\$ 38,764,363	
Housing assistance payment revenues	-	725,101,518	-	725,101,518	
Miscellaneous and other revenues	1,923,204	23,514,722	300,907	25,738,833	
Total operating revenues	1,923,204	748,616,240	39,065,270	789,604,714	
Operating expenses:					
Housing assistance payments	-	725,101,518	-	725,101,518	
Administrative	399,525	492,399	1,683,413	2,575,337	
Tenant services	-	-	130,691	130,691	
Utilities	1,718	-	2,768,684	2,770,402	
Maintenance and operations	18,996	50,592	9,461,062	9,530,650	
General expenses	1,928	15,460,986	2,359,738	17,822,652	
Depreciation and amortization	342,671	400,513	3,742,522	4,485,706	
Overhead allocation	13,057	150,618	8,620,912	8,784,587	
Total operating expenses	777,895	741,656,626	28,767,022	771,201,543	
Operating income	1,145,309	6,959,614	10,298,248	18,403,171	
Nonoperating revenues (expenses):					
Investment income	986,849	14,331	33,981	1,035,161	
Other nonoperating expenses	-	-	(542,687)	(542,687)	
Total nonoperating revenues (expenses)	986,849	14,331	(508,706)	492,474	
Income before transfers	2,132,158	6,973,945	9,789,542	18,895,645	
Transfers in	630,465	-	-	630,465	
Transfers out	(2,302)	-	-	(2,302)	
Change in net position	2,760,321	6,973,945	9,789,542	19,523,808	
Net position, beginning of year	161,239,485	72,124,081	122,019,385	355,382,951	
Net position, end of year	\$ 163,999,806	\$ 79,098,026	\$ 131,808,927	\$ 374,906,759	

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Supplementary Information

For the Year Ended June 30, 2021

**Below is the Schedule of Annual Contribution Contracts for Capital Fund Program (CFP) and Replacement Housing Factor (RHF) Grants that were open as of June 30, 2021.**

Project Number	Funds Approved	Funds Expended						Balance of Funds Approved
		2011	2012	2013	2014	2015	2016	
<b>Capital Fund Program (CFP)</b>								
CA39P003501-08	\$ 4,141,928.78							\$ 4,141,928.78
CA39P003501-09	8,468,472.00							8,468,472.00
CA39P003501-10	8,224,164.00							8,224,164.00
CA39P003501-11								3,013,514.00
CA39P003501-12	3,013,514.00							2,777,224.00
CA39P003501-13	2,777,224.00							2,400,278.00
CA39P003501-14	2,400,278.00							2,799,312.00
CA39P003501-15	2,799,312.00							2,947,369.00
CA01P003501-16	2,947,369.00							6,513,733.00
CA01P003501-17	6,513,733.00							6,515,300.00
CA01P003501-18	6,515,300.00							9,544,680.00
CA01P003501-19	9,544,680.00							9,824,634.00
CA01P003501-20	9,824,634.00							10,288,343.00
<b>Total CFP</b>	<b>\$ 7,458,951.78</b>	<b>\$ -</b>	<b>\$ 7,507,022.65</b>	<b>\$ -</b>	<b>\$ 5,727,581.01</b>	<b>\$ 11,782,996.32</b>	<b>\$ 3,348,811.19</b>	<b>\$ 2,263,921.83</b>
								<b>\$ 6,513,733.00</b>
								<b>\$ 6,515,300.00</b>
								<b>\$ 9,544,680.00</b>
								<b>\$ 9,824,634.00</b>
								<b>\$ 10,288,343.00</b>
								<b>\$ 10,288,343.00</b>
<b>Replacement Housing Factor (RHF)</b>								
CA39R003501-10	\$ 244,214.00							\$ 244,214.00
CA39R003501-11	3,883,233.00							3,883,233.00
CA39R003501-12	3,611,056.00							3,611,056.00
CA39R003501-13	3,872,187.00							3,872,187.00
CA39R003501-14	3,703,384.00							3,703,384.00
CA39R003501-15	3,469,991.00							3,469,991.00
CA39R003502-09	8,443.00							8,443.00
CA39R003502-10	148,127.00							148,127.00
CA39R003502-11	\$ 120,731.00							\$ 120,731.00
<b>Total RHF</b>	<b>\$ 19,061,386.00</b>	<b>\$ -</b>	<b>\$ 379,265.97</b>	<b>\$ 2,902,938.27</b>	<b>\$ 10,898,537.65</b>	<b>\$ 1,410,653.11</b>	<b>\$ -</b>	<b>\$ 19,061,386.00</b>
								<b>\$ 19,061,386.00</b>
<b>Emergency Safety &amp; Security Grant</b>								
CA39E003501-12	\$ 250,000.00							\$ 250,000.00
								<b>\$ 250,000.00</b>

# STATISTICAL SECTION

- Financial Trend Information
- Revenue Capacity Information
- Debt Capacity Information
- Demographic and Economic Information
- Operating Information



**Supporting Our OHA Community**

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**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Statistical Section

This section of the Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

**Financial Trend**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

**Revenue Capacity**

These schedules contain information to help the reader assess the Authority's significant local revenue sources.

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

**Operating Information**

These schedules contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides and the activities it performs.

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**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Net Position by Component - Last Ten Years (Unaudited)  
(\$ in Thousands)

<b>Fiscal Year</b>	<b>Net Investment in Capital Assets</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>
2021	\$ 140,692	\$ 87,979	\$ 441,360	\$ 670,031
2020	135,545	87,414	398,047	621,006
2019	128,256	83,386	325,070	536,712
2018	123,256	14,759	363,012	501,027
2017	115,309	14,720	263,375	393,404
2016	118,068	5,538	253,774	377,380
2015	115,383	2,645	253,097	371,125
2014	110,737	20,037	227,114	357,888
2013	110,590	11,613	196,857	319,060
2012	109,101	1,649	179,923	290,673

Note: Effective with the implementation of GASB Statement No. 63, in 2013, net assets was renamed to net position.

Source: Department of Finance

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
**Change in Net Position - Last Ten Years (Unaudited)**  
(\$ in Thousands)

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Operating revenues:										
Rental income	\$ 17,421	\$ 20,164	\$ 22,592	\$ 25,023	\$ 25,831	\$ 30,909	\$ 35,236	\$ 39,993	\$ 40,821	\$ 43,248
Housing assistance payment revenues and fees	604,956	613,081	618,216	663,162	674,038	739,486	912,452	879,706	958,683	1,027,388
Operating grants	2,719	2,801	3,262	8,645	3,935	11,825	13,498	12,717	12,588	16,110
Miscellaneous and other	12,983	17,119	12,133	20,257	16,629	25,066	5,312	24,641	26,087	28,839
Total operating revenues	<u>638,079</u>	<u>653,165</u>	<u>656,203</u>	<u>717,087</u>	<u>720,433</u>	<u>807,286</u>	<u>966,498</u>	<u>957,057</u>	<u>1,038,179</u>	<u>1,115,585</u>
Operating expenses:										
Housing assistance payments	528,705	544,072	568,064	598,650	630,173	705,990	769,677	826,947	902,293	965,534
Administrative	43,591	41,516	28,043	40,680	45,168	36,900	33,887	33,201	45,543	41,689
Tenant services	2,205	780	1,152	1,303	1,687	1,368	710	1,444	1,240	1,225
Utilities	2,516	2,826	3,161	3,379	3,491	3,776	4,014	4,168	4,144	4,687
Maintenance and operations	32,766	24,748	15,855	15,443	15,362	15,864	16,867	16,144	19,574	18,493
General expenses	11,663	11,506	12,401	11,212	12,525	23,044	24,967	26,869	27,219	28,699
Depreciation and amortization	12,158	9,691	8,449	8,271	9,325	9,337	9,463	7,457	7,260	6,763
Total operating expenses	<u>633,604</u>	<u>635,139</u>	<u>637,125</u>	<u>678,938</u>	<u>717,731</u>	<u>796,279</u>	<u>859,585</u>	<u>916,230</u>	<u>1,007,273</u>	<u>1,067,090</u>
Operating income (loss)	<u>4,475</u>	<u>18,026</u>	<u>19,078</u>	<u>38,149</u>	<u>2,702</u>	<u>11,007</u>	<u>106,913</u>	<u>40,827</u>	<u>30,906</u>	<u>48,495</u>
Nonoperating revenues (expenses):										
Investment income	506	446	453	625	642	697	700	4,117	3,810	1,474
Gain (loss) on disposal of capital assets	-	2,854	(3)	576	2,931	4,405	10	4	49,954	-
Other nonoperating revenues	4,722	-	24	-	11	-	-	-	-	-
Other nonoperating expenses	-	(93)	(587)	(122)	(31)	(85)	-	(28)	(376)	(944)
Total nonoperating revenues (expenses)	<u>5,228</u>	<u>3,207</u>	<u>(113)</u>	<u>1,079</u>	<u>3,553</u>	<u>5,017</u>	<u>710</u>	<u>4,093</u>	<u>53,388</u>	<u>530</u>
Income (loss) before capital contributions and special items	9,703	21,233	18,965	39,228	6,255	16,024	107,623	44,920	84,294	49,025
Capital contributions	5,282	7,154	19,863	-	-	-	-	-	-	-
Special item	<u>20,030</u>	<u>-</u>								
Change in net position	<u>35,015</u>	<u>28,387</u>	<u>38,828</u>	<u>39,228</u>	<u>6,255</u>	<u>16,024</u>	<u>107,623</u>	<u>44,920</u>	<u>84,294</u>	<u>49,025</u>
Net position, beginning of year, as previously reported	255,658	290,673	319,060	357,888	371,125	377,380	393,404	491,792	536,712	621,006
Prior period adjustments	-	-	-	(25,991)	-	-	(9,235)	-	-	-
Net position, beginning of year,	<u>255,658</u>	<u>290,673</u>	<u>319,060</u>	<u>331,897</u>	<u>371,125</u>	<u>377,380</u>	<u>384,169</u>	<u>491,792</u>	<u>536,712</u>	<u>621,006</u>
Net position, end of year	<u>\$ 290,673</u>	<u>\$ 319,060</u>	<u>\$ 357,888</u>	<u>\$ 371,125</u>	<u>\$ 377,380</u>	<u>\$ 393,404</u>	<u>\$ 491,792</u>	<u>\$ 536,712</u>	<u>\$ 621,006</u>	<u>\$ 670,031</u>

Note: Effective with the implementation of GASB Statement No. 63, in 2013, net assets was renamed to net position.

Source: Department of Finance

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Operating Revenues by Source - Last Ten Years (Unaudited)  
 (\$ in Thousands)

<b>Fiscal Year</b>	<b>Rental Income</b>		<b>Housing Assistance Payment Revenues and Fees</b>		<b>Other Operating Grants</b>		<b>Miscellaneous and Other</b>		<b>Total</b>	
	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>
2021	\$ 43,248	4%	\$ 1,027,388	92%	\$ 16,110	1%	\$ 28,839	3%	\$ 1,115,585	100%
2020	40,821	4%	958,683	92%	12,588	1%	26,087	3%	1,038,179	100%
2019	39,993	4%	879,706	92%	12,717	1%	24,641	3%	957,057	100%
2018	35,236	4%	912,452	94%	13,498	1%	5,312	1%	966,498	100%
2017	30,909	4%	739,486	92%	11,825	1%	25,066	3%	807,286	100%
2016	25,831	4%	674,038	94%	3,935	1%	16,629	2%	720,433	100%
2015	25,023	3%	663,162	92%	8,645	1%	20,257	3%	717,087	100%
2014	22,592	3%	618,216	94%	3,262	0%	12,133	2%	656,203	100%
2013	20,164	3%	613,081	94%	2,801	0%	17,119	3%	653,165	100%
2012	17,421	3%	604,956	95%	2,719	0%	12,983	2%	638,079	100%

Source: Department of Finance

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Nonoperating Revenues by Source - Last Ten Years (Unaudited)

(\$ in Thousands)

<b>Fiscal Year</b>	<b>Investment Income</b>		<b>Other Nonoperating</b>		<b>Total</b>	
	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>
2021	\$ 1,474	100%	\$ -	0%	\$ 1,474	100%
2020	3,810	7%	49,578	93%	53,388	100%
2019	4,117	100%	4	0%	4,121	100%
2018	700	99%	10	1%	710	100%
2017	697	14%	4,405	86%	5,102	100%
2016	642	18%	2,942	82%	3,584	100%
2015	625	52%	576	48%	1,201	100%
2014	453	95%	22	5%	475	100%
2013	446	14%	2,854	86%	3,300	100%
2012	506	10%	4,722	90%	5,228	100%

Source: Department of Finance

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Debt Service Coverage - Last Ten Years (Unaudited)  
 (\$ in Thousands)

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Revenues <sup>(1)</sup>	\$ 641,304	\$ 656,412	\$ 659,918	\$ 717,712	\$ 721,075	\$ 807,983	\$ 967,198	\$ 961,174	\$ 1,041,989	\$ 1,117,060
Operating expenses (excluding depreciation)	621,446	625,448	628,676	670,667	708,406	786,942	850,122	908,773	1,000,013	1,060,327
Revenues available for debt service	19,858	30,964	31,242	47,045	12,669	21,041	117,076	52,401	41,976	56,733
Debt service requirements:										
Principal	214	29	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total debt service	214	29	-	-	-	-	-	-	-	-
Debt service coverage	92.79	1,067.72	-	-	-	-	-	-	-	-

Note: (1) Revenues include operating revenues, operating grants and investment income.

Source: Department of Finance

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Outstanding Debt Related to Capital Assets - Last Ten Years (Unaudited)

(\$ in Thousands)

<b>Fiscal Year</b>	<b>Long-Term Debt</b>			<b>Capital Assets, Net</b>	<b>Ratio of Total Debt to Capital Assets</b>
	<b>Current Portion</b>	<b>Noncurrent Portion</b>	<b>Total</b>		
2021	\$ -	\$ -	\$ -	\$ 140,692	0.00%
2020	-	-	-	135,545	0.00%
2019	-	-	-	128,255	0.00%
2018	-	-	-	123,256	0.00%
2017	-	-	-	115,309	0.00%
2016	-	-	-	118,067	0.00%
2015	-	-	-	115,383	0.00%
2014	-	-	-	110,737	0.00%
2013	-	-	-	110,590	0.00%
2012	29	-	29	109,130	0.03%

Source: Department of Finance

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Demographic and Economic Statistics - Last Ten Years (Unaudited)

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2021	435,514	\$ 45,360,302	\$ 104,921	36.2	48,704	7.7%
2020	433,697	42,827,015	99,424	36.2	49,588	15.7%
2019	432,897	39,452,998	91,459	36.2	50,202	3.5%
2018	431,373	39,452,998	91,459	36.2	50,231	3.4%
2017	430,482	39,452,998	91,459	36.5	49,760	4.2%
2016	426,850	37,208,259	86,434	36.2	49,098	4.9%
2015	420,624	35,224,821	82,523	36.2	48,077	5.9%
2014	415,123	32,064,059	76,230	36.4	47,194	7.2%
2013	410,511	29,507,737	71,082	36.6	46,486	8.9%
2012	401,139	28,879,798	70,351	36.2	46,472	10.7%

Source: City of Oakland Annual Comprehensive Financial Reports.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Principal Employers in Oakland  
Current Year and Nine Years Ago

<b>Employer</b>	<b>2021</b>			<b>2012</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>% of Total Employment</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>% of Total Employment</b>
County of Alameda	8,000+	1	4.2%	8,843	1	4.8%
Kaiser Permanente/Kaiser Foundation	7,000+	2	3.7%	4,418	3	2.4%
San Francisco Bart District	4,000+	3	2.1%	1,499	9	0.8%
State of California	3,500+	4	1.8%			
City of Oakland	3,500+	5	1.8%	4,073	6	2.2%
United Parcel Service	2,500+	6	1.3%			
Southwest Airlines	2,500+	7	1.3%			
Children's Hospital & Research Center	2,000+	8	1.0%	2,600	8	1.4%
Highland Hospital	2,000+	9	1.0%			
Federal Express Corporation	1,500+	10	0.8%			
Oakland Unified School District	N/A		N/A	4,496	2	2.4%
Dreyer's Grand Ice Cream Inc	N/A		N/A	4,191	4	2.3%
Cost Plus , Inc.	N/A		N/A	4,113	5	2.2%
Alta-Bates Summit Medical Center	N/A		N/A	3,623	7	2.0%
Peralta Community College District	N/A		N/A	1,400	10	0.8%
Total, Ten Largest Employers	<u><u>46,500</u></u>			<u><u>40,820</u></u>		

Source: City of Oakland Annual Comprehensive Financial Reports

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Capital Assets by Category (Unaudited)  
(\$ in Thousands)

	<b>2012<sup>(1)</sup></b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Category:										
Land	\$ 60,242	\$ 65,679	\$ 67,069	\$ 67,319	\$ 67,863	\$ 67,748	\$ 77,757	\$ 79,985	\$ 79,985	\$ 79,985
Construction in progress	-	4,138	9,091	9,127	3,112	3,221	2,204	6,844	14,354	9,842
Buildings and improvements	256,369	256,964	258,761	269,564	284,319	289,128	296,502	301,415	299,268	313,370
Equipment and vehicles	5,244	5,473	5,700	7,478	9,769	10,240	11,062	11,194	11,520	13,300
Total capital assets, gross	321,855	332,254	340,621	353,488	365,063	370,337	387,525	399,438	405,127	416,497
"										
Less accumulated depreciation	(212,725)	(221,664)	(229,884)	(238,105)	(246,996)	(255,028)	(264,269)	(271,182)	(269,582)	(275,805)
Total capital assets, net	109,130	110,590	110,737	115,383	118,067	115,309	123,256	128,256	135,545	140,692
Related debt	1,460	147	-	-	-	-	-	-	-	-
Net investment in capital assets	<b>\$ 110,590</b>	<b>\$ 110,737</b>	<b>\$ 115,383</b>	<b>\$ 115,383</b>	<b>\$ 118,067</b>	<b>\$ 115,309</b>	<b>\$ 123,256</b>	<b>\$ 128,256</b>	<b>\$ 135,545</b>	<b>\$ 140,692</b>

Notes: (1) Increase represents transfer in of OAHPi blended component unit capital assets upon change of board composition.

Source: Department of Finance

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Full-time Equivalent Employees by Department – Last Ten Years (Unaudited)

<b>Department</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Executive Office	7	7	9	10	9	8	8	8	8	12
Office of Program Administration	2	3	3	2	1	-	-	-	-	-
Family and Community Partnerships	12	14	15	17	14	18	21	25	25	25
Finance	20	20	21	20	20	20	20	21	21	21
Information Technology	11	11	11	11	11	11	10	11	11	11
Contract Compliance & General Services	10	8	9	8	8	9	8	7	7	7
Human Resources	8	8	8	8	8	8	8	8	8	9
California Affordable Housing Initiatives	1	1	1	1	1	1	1	1	1	1
Office of Real Estate Development	8	8	8	8	7	6	6	7	7	7
Leased Housing	87	90	90	87	90	90	92	97	97	97
Office of Property Operations	158	157	152	154	157	155	152	146	146	141
Police	45	45	45	45	45	45	45	45	45	45
<b>TOTAL</b>	<b>369</b>	<b>372</b>	<b>372</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>376</b>	<b>376</b>	<b>376</b>

Source: Department of Finance

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Unit Inventory by Program - Last Ten Years (Unaudited)

Program	Number of Units									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>PUBLIC HOUSING</b>										
<b>Large Family Sites</b>										
Campbell Village	154	154	154	154	154	154	154	154	154	154
Lockwood Gardens	371	371	372	372	372	372	372	372	372	372
Peralta Villa	390	390	390	390	390	390	390	390	390	390
	<u>915</u>	<u>915</u>	<u>916</u>							
<b>Designated Senior Sites</b>										
Harrison Tower	101	101	101	101	101	101	101	101	101	101
Adel Court	30	30	30	30	30	30	30	30	30	30
Oak Grove North (2)	77	77	77	77	77	77	77	77	-	-
Oak Grove South (2)	75	75	75	75	75	75	75	75	-	-
Palo Vista Gardens	100	100	100	100	100	100	100	100	100	100
	<u>383</u>	<u>231</u>	<u>231</u>							
<b>HOPE VI Sites (Public Housing Units Only)</b>										
Foothill Family Apts.	21	21	21	21	21	21	21	21	21	21
Linden Court	38	38	38	38	38	38	38	38	38	38
Chestnut Court	45	45	45	45	45	45	45	45	45	45
Mandela Gateway	46	46	46	46	46	46	46	46	46	46
Lion Creek Crossings	157	157	157	157	157	157	157	157	157	157
	<u>307</u>									
<b>TOTAL PUBLIC HOUSING</b>	<b><u>1,605</u></b>	<b><u>1,605</u></b>	<b><u>1,606</u></b>	<b><u>1,606</u></b>	<b><u>1,606</u></b>	<b><u>1,606</u></b>	<b><u>1,606</u></b>	<b><u>1,606</u></b>	<b><u>1,454</u></b>	<b><u>1,454</u></b>
<b>HOUSING CHOICE VOUCHER PROGRAM</b>										
<b>Moving to Work (MTW)</b>										
General MTW Housing Choice Vouchers (1)	12,433	12,687	12,805	12,814	12,858	12,866	12,866	12,874	12,866	13,107
<b>Non-MTW</b>										
Section 8 Mod Rehab	329	320	259	251	251	251	251	251	143	143
Section 8 Mainstream	175	175	175	175	175	175	175	175	212	212
Veterans Affairs Supportive Housing	205	265	265	326	326	326	396	396	396	396
Family Unification Program	50	50	50	50	50	50	50	50	101	51
Non-Elderly Disabled Vouchers	85	-	-	-	65	65	65	65	85	85
Tenant Protection Vouchers	169	118	9	-	-	-	-	-	141	141
	<u>1,013</u>	<u>928</u>	<u>758</u>	<u>802</u>	<u>867</u>	<u>867</u>	<u>937</u>	<u>937</u>	<u>1,078</u>	<u>1,028</u>
<b>TOTAL HOUSING CHOICE VOUCHERS</b>	<b><u>13,446</u></b>	<b><u>13,615</u></b>	<b><u>13,563</u></b>	<b><u>13,616</u></b>	<b><u>13,725</u></b>	<b><u>13,733</u></b>	<b><u>13,803</u></b>	<b><u>13,811</u></b>	<b><u>13,944</u></b>	<b><u>14,135</u></b>
<b>SHELTER PLUS CARE PROGRAM</b>										
<b>TOTAL INVENTORY</b>	<b><u>15,293</u></b>	<b><u>15,457</u></b>	<b><u>15,465</u></b>	<b><u>15,555</u></b>	<b><u>15,662</u></b>	<b><u>15,670</u></b>	<b><u>15,740</u></b>	<b><u>15,748</u></b>	<b><u>15,729</u></b>	<b><u>15,920</u></b>

(1) Authorized vouchers not vouchers in use.

(2) Oak Grove North and Oak Grove South were removed from the Public Housing program and transferred to a limited partnership in December 2019.

Source: MTW Annual Reports, 2010-2020

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Number of Households on Waiting Lists - Last Ten Years (Unaudited)

Program	Number of Households									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Public Housing</b>	<b>1,609</b>	<b>3,236</b>	<b>4,288</b>	<b>11,612</b>	<b>12,441</b>	<b>3,203</b>	<b>3,397</b>	<b>6,687</b>	<b>4,977</b>	<b>2,089</b>
<b>Section 8 Vouchers</b>										
General, Mainsteam, and Mod Rehab	10,230	10,489	9,334	7,557	7,048	3,200	3,500	1,912	2,500	2,217
OAHPi Scattered Sites	5,647	6,253	3,071	2,997	2,031	4,050	3,200	562	218	367
Other Project Based Voucher Sites*	3,292	10,561	15,428	17,291	17,033	28,848	35,649	36,576	36,035	45,344
Shelter Plus Care	37	56	56	59	59	(1)	(1)	(1)	(1)	(1)
Subtotal - Section 8 Vouchers	<b>19,206</b>	<b>27,359</b>	<b>27,889</b>	<b>27,904</b>	<b>26,171</b>	<b>36,098</b>	<b>42,349</b>	<b>39,050</b>	<b>38,753</b>	<b>47,928</b>
<b>HOPE VI Sites</b>	<b>615</b>	<b>1,550</b>	<b>1,819</b>	<b>2,101</b>	<b>1,718</b>	<b>921</b>	<b>905</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>
<b>Parents and Children Together (PACT) Program</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>5</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Total</b>	<b>21,430</b>	<b>32,145</b>	<b>33,996</b>	<b>41,617</b>	<b>40,330</b>	<b>40,222</b>	<b>46,656</b>	<b>45,740</b>	<b>43,733</b>	<b>50,020</b>

(1) Not available

(2) Waiting List Households for HOPE VI Sites are included in the totals for Public Housing and Other Project Based Voucher Sites.

\* Combined waitlists for Project Based Voucher and other units at some sites.

Source: MTW Annual Reports, 2012-2021, and Authority Records

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Completed Work Orders for Authority-Managed Housing - Last Ten Years (Unaudited)

<b>Development</b>	<b>Number of Units</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Large Public Housing</b>										
Lockwood Gardens	1,657	1,931	1,952	1,910	1,616	1,814	2,321	2,317	2,084	2,135
Peralta Village	2,353	2,444	2,721	1,195	1,497	2,978	2,988	2,943	2,929	2,432
Palo Vista Gardens*	132	130	*	*	*	*	*	*	*	*
<b>Subtotal</b>	<b>4,142</b>	<b>4,505</b>	<b>4,673</b>	<b>3,105</b>	<b>3,113</b>	<b>4,792</b>	<b>5,309</b>	<b>5,260</b>	<b>5,013</b>	<b>4,567</b>
<b>Scattered Sites</b>										
Deep East	1,578	1,167	1,670	1,666	1,278	1,473	1,947	2,225	1,936	1,851
East Oakland	1,348	1,282	1,458	1,697	1,344	1,416	1,533	1,910	1,745	1,992
Fruitvale	1,499	1,408	1,834	2,444	2,109	1,359	1,316	1,997	1,803	2,101
San Antonio	1,862	1,510	1,636	1,449	1,552	1,187	1,315	1,560	1,347	1,714
West Oakland	1,340	1,421	1,234	1,251	1,402	1,441	1,399	1,326	1,108	1,765
North Oakland	1,665	1,490	1,656	1,285	1,109	1,481	1,401	1,427	1,102	1,467
<b>Subtotal</b>	<b>9,292</b>	<b>8,278</b>	<b>9,488</b>	<b>9,792</b>	<b>8,794</b>	<b>8,357</b>	<b>8,911</b>	<b>10,445</b>	<b>9,041</b>	<b>10,890</b>
<b>Total</b>	<b>13,434</b>	<b>12,783</b>	<b>14,161</b>	<b>12,897</b>	<b>11,907</b>	<b>13,149</b>	<b>14,220</b>	<b>15,705</b>	<b>14,054</b>	<b>15,457</b>

\* Management of Palo Vista Gardens was taken over by a third-party management company on February 1, 2013. Only data for work orders completed under Authority management is included here.

Sources: MTW Annual Report and Authority Records

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Police Department Activities - Last Ten Years (Unaudited)

	Calendar Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>OHA Police Department Calls for Service (1)</b>										
Number of Incidents	15,979	16,870	20,725	21,330	18,310	19,532	13,421	16,983	25,167	26,744
<b>OHA Police Department Reported UCR Part 1 Crimes (2)</b>										
Number of Offenses	818	834	891	620	636	533	521	543	793	817
<b>OHA Police Department Parking Enforcement Revenue</b>										
Number of Citations	3,445	2,853	4,640	4,342	6,479	4,329	4,002	4,038	5,453	4,814
Revenue	\$ 62,944	\$ 45,115	\$ 47,086	\$ 234,382	\$ 68,359	\$ 78,274	\$ 80,978	\$ 81,706	\$ 100,194	\$ 86,442
<b>OHA Police Department Fraud Recovery Revenue</b>										
Repayment Agreements	\$ 517,436	\$ 802,127	\$ 399,500	\$ 82,474	\$ 65,926	124,285	159,485	212,053	148,501	61,803
Recovered Funds	\$ 353,672	\$ 317,489	\$ 300,596	\$ 234,382	\$ 213,268	139,489	177,246	172,745	157,584	72,858

- (1) Calls for service represents all communication incidents with the OHA PD Communications Center, including calls
- (2) Uniform Crime Reporting (UCR) Part 1 Crimes include murder, rape, robbery, assault, burglary, larceny and auto theft.

Sources: OHA Police Department Annual Reports; OHA Police Records Management System; Indico Public Safety Records

**OHA Police Department Calls for Service**

Sources:  
2012-2021

**OHA Police Department Reported UCR Part 1 Crimes**

Sources:  
2012-2021

**OHA Police Department Parking Enforcement Revenue**

Sources  
Revenue  
Number of citation

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
 Property Characteristics and Dwelling Unit Composition (Unaudited)  
 June 30, 2021

**Authority Public Housing Developments**

Name of Development	Location	# of Units
Harrison Towers	1621 Harrison Street	101
Adel Court	2001 MacArthur Blvd.	30
Campbell Village	1657 10th Street	154
Lockwood Gardens	1263 65th Avenue	372
Palo Vista Gardens	1110 64th Avenue	100
Peralta Villa	906 Mandela Parkway	390
<b>Total Public Housing Units</b>		<b>1,147</b>

Source: Appendix E, MTW Annual Report, 2019

**OAHPi Project Based Voucher Sites**

Name of Development	Location	# of Units
Deep East Scattered Sites	Various	278
East Oakland Scattered Sites	Various	278
Fruitvale Scattered Sites	Various	270
North Oakland Scattered Sites	Various	244
San Antonio Scattered Sites	Various	230
West Oakland Scattered Sites	Various	239
<b>Total OAHPi Project Based Voucher Units</b>		<b>1,539</b>

Source: Authority Internal Records

**Mixed Finance Developments**

Name of Development	Location	Project Based			Total Units
		Public Housing Units	Voucher Units	Other Units	
Foothill Family Apts.	6946 Foothill Blvd	21	11	33	65
Linden Court	1060 W. Grand Ave	38	-	41	79
Chestnut Court	1060 West Grand Ave	45	-	27	72
Mandela Gateway	1350-1400 7th St	46	30	92	168
Lion Creek Crossings	6888 Lion Way	157	171	366	567
Tassafaronga Village	945 84th Ave	-	99	58	157
Harrison Street Senior	1633 Harrison St	-	11	62	73
Lakeside Senior	1507 2nd Ave	-	91	1	92
The Savoy Apts.	1424 Jefferson St	-	101	-	101
Cathedral Gardens	616 21nd St	-	43	57	100
Keller Housing Apts.	5301 Telegraph Ave	-	-	201	201
AveVista	460 Grand Ave	-	34	34	68
Prosperity Place	1110 Jackson St	-	35	36	71
ACTS/CYRENE	9400 International Blvd	-	14	45	59
Oak Grove Plaza North	620 17th Street	-	75	1	76
Oak Grove Plaza South	570 16th Street	-	74	1	75
Paseo and Vista Estero (Brooklyn Basin)	255 and 285 8th Avenue		132	79	211
The Empyrean	344 13th Street		32	34	66
<b>Total Mixed Finance Developments</b>		<b>307</b>	<b>953</b>	<b>1,168</b>	<b>2,301</b>

Source: Appendix B, MTW Annual Report, 2021

# FEDERAL COMPLIANCE SECTION



**Supporting Our OHA Community**



**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Auditing Standards***

Members of the Board of Commissioners of the  
Housing Authority of the City of Oakland, California  
Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Oakland, California (Authority) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 27, 2021. Our report on the Authority's financial statements includes a reference to other auditors who audited the financial statements of the Authority's discretely presented component units. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Chestnut Linden Associates, Lion Creek Senior Housing Partners, L.P., AveVista Associates, L.P., and Oak Groves Senior Housing, L.P. discretely presented component units, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these discretely presented component units.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Macias Gini & O'Connell LLP*

Sacramento, California  
December 27, 2021

**Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

Members of the Board of Commissioners of the  
Housing Authority of the City of Oakland, California  
Oakland, California

**Report on Compliance for the Major Federal Program**

We have audited the Housing Authority of the City of Oakland, California's (Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2021. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The Authority's basic financial statements include the operations of the California Affordable Housing Initiatives, Inc. (CAHI), which expended \$741,256,112 in federal awards, which is not included in the Authority's schedule of expenditures of federal awards (SEFA) for the year ended June 30, 2021. Our audit, described below, did not include the operations of CAHI because we audited and reported on CAHI in accordance with the Uniform Guidance as a separate engagement.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

### ***Opinion on the Major Federal Program***

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Macias Gini & O'Connell LLP*

Sacramento, California  
December 27, 2021

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Housing and Urban Development:</b>			
<b>Direct:</b>			
<b>Section 8 Project-Based Cluster:</b>			
Section 8 New Construction and Substantial Rehabilitation	14.182	\$ 991,835	\$ -
Lower Income Housing Assistance Program - Section 8			
Moderate Rehabilitation	14.856	415,563	-
Subtotal Section 8 Project Based Cluster		<u>1,407,398</u>	-
Family Self-Sufficiency Program	14.896	1,204,692	-
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	4,392,353	-
Mainstream Voucher Program (MV)	14.879	2,740,354	-
COVID-19 Mainstream Voucher Program (MV)	14.879	612	-
Subtotal Housing Voucher Cluster		<u>7,132,707</u>	-
Moving To Work Demonstration Program	14.881*	305,235,837	-
COVID-19 Moving To Work Demonstration Program	14.881*	4,183,999	-
Subtotal Moving To Work Demonstration Program		<u>309,419,836</u>	-
Total U.S. Department of Housing and Urban Development		<u><u>\$ 319,164,633</u></u>	<u><u>\$ -</u></u>

\* Denotes major program

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

**NOTE 1 – GENERAL**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Housing Authority of the City of Oakland, California (the Authority), except for expenditures reported for the California Affordable Housing Initiatives, Inc. (CAHI), a blended component unit. The Authority's reporting entity is defined in Note 1 of the Authority's basic financial statements. Federal awards received directly from federal agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

Expenditures funded by the Coronavirus Aid, Relief, and Economic Security (CARES) Act are denoted by the prefix COVID-19 in the federal program title.

**NOTE 2 – BASIS OF ACCOUNTING**

Amounts reported in the Schedule represent expenditures incurred for the Authority's federal programs, except for the Moving To Work Demonstration (MTW) Program (ALN 14.881), and are reported on the accrual basis of accounting and include capitalized expenditures. Such expenditures are recognized following the cost principles contained in 2 CFR 200, Subpart E (Cost Principles), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Given the flexibility of the MTW Program, the housing assistance payment revenue earned from the U.S. Department of Housing and Urban Development (HUD) provides a better reflection of how HUD has funded the program and such amounts are reported as the Authority's MTW Program expenditures. The Authority did not elect to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs.

**NOTE 3 – ASSISTANCE LISTING NUMBER (ALN)**

The ALNs included in the accompanying Schedule were determined based on the program name, review of grant contract information, and the General Services Administration's [SAM.gov](#) website.

**NOTE 4 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The Schedule agrees to or can be reconciled with the amounts reported in the Authority's basic financial statements.

**NOTE 5 – CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC. (CAHI)  
FEDERAL EXPENDITURES**

CAHI federal expenditures are excluded from the Schedule because CAHI's federal expenditures are separately audited. Expenditures for CAHI's federal award program is taken from the separately issued single audit report, as listed below:

Federal Grantor/Program Title	Assistance Listing Number	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>		
<i>Direct:</i> Section 8 Housing Assistance Payments Program	14.195	\$ 741,256,112

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021

## **Section I – Summary of Auditor’s Results**

## *Financial Statements*

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
◆ Material weakness(es) identified?	No
◆ Significant deficiency(ies) identified?	None reported
Noncompliance material to the financial statements noted?	No

## *Federal Awards*

Internal control over major federal program:	
♦ Material weakness(es) identified?	No
♦ Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for the major federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

### Identification of major program:

Assistance Listing Number (ALN)	Name of Federal Program
14.881	Moving To Work Demonstration Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000
Auditee qualified as a low-risk auditee?	Yes

## **Section II - Financial Statement Findings**

None reported.

### **Section III – Federal Award Findings and Questioned Costs**

None reported.

**HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA**  
Summary Schedule of Prior Audit Finding  
For the Year Ended June 30, 2021

The status of corrective action for the prior year finding is as follows:

<b>Finding No.</b>	<b>Federal Program Title</b>	<b>Assistance Listing Number</b>	<b>Compliance Requirement</b>	<b>Status</b>
2020-001	Moving to Work Demonstration Program	14.881	Eligibility and Special Tests and Provisions	Implemented



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