

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Oakland Housing
Authority

Housing Authority of the City of Oakland, California
Fiscal Year Ended June 30, 2022

Housing Authority of the City of Oakland, California
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022

PREPARED BY THE FINANCE DEPARTMENT
VICTOR MADAMBA, DIRECTOR OF FINANCE
THANH NGUYEN, ASSISTANT DIRECTOR



Moving Forward Together

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
For the Year Ended June 30, 2022

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CITY OF OAKLAND, CALIFORNIA**
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INTRODUCTORY SECTION

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- Organizational Chart
- Board of Commissioners
- Executive Team and Directors



Moving Forward Together



January 31, 2023

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, 2022. 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). Macias Gini & O'Connell LLP (MGO), independent certified public accountants, have audited the Authority's financial statements presented herein. MGO has issued an unmodified opinion on the Authority's basic financial statements for the year ended June 30, 2022. 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* (Uniform Guidance). 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, 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 (FY) 2022, HUD provided over 95.3% 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 FY 2022, although capital expenditures for major renovations and development continue as planned.

The FY22 federal omnibus package includes full year funding for all 12 appropriations bills. It raises HUD funding by \$4 billion and increases nearly all HUD programs. The package also includes a reauthorization of the Violence Against Women Act (VAWA). The omnibus contains the highest ever annual funding for the Public Housing Capital Fund at \$3.2 billion. The bill also includes \$200 million in new vouchers for people experiencing homelessness and victims of domestic violence, and \$25 million for mobility services.

The [Build America, Buy America Act](#) (the Act), enacted as part of the Infrastructure Investment and Jobs Act on November 15, 2021, established a domestic content procurement preference for all Federal financial assistance obligated for infrastructure projects after May 14, 2022. The domestic content procurement preference requires that all iron, steel, manufactured products, and construction materials used in covered infrastructure projects are produced in the United States.

Agencies may waive the domestic content procurement preference if (1) a waiver is in the public interest, (2) the types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or satisfactory quality, or (3) the application of the domestic content preference would increase the cost of the overall project by more than 25 percent.

The impact of the Act may affect new construction projects lead by the Authority and/or its development partners. Additionally, the Authority anticipates capital improvement projects costs to increase for materials and goods to maintain and rehabilitate Authority owned properties.



HUD Fair Market Rents (FMR) published for FY 2023 increased for all unit sizes between 3%-8% in the Oakland-Fremont market. This is an improvement from FY22 FMRs, which decreased across all bedroom sizes

Congress passed a continuing resolution (CR) on September 30, 2022, to extend level funding for the federal government through December 16, 2022, giving lawmakers additional time to reach an agreement on federal funding for FY 2023 and averting a partial government shutdown.

Major Initiatives

Oak Groves – 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. The Authority submitted a subsequent application for Section 8 vouchers and a project basing of the awards to the sites, all of which were approved. In December 2019, the two sites were sold to Oak Groves Senior Housing, LP (Partnership), 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 issued 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 was completed and the building was fully occupied as of July 2022. The project is expected to convert to permanent financing by the spring of 2023.

Brooklyn Basin – 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, provides 130 affordable rental homes for very low-income and formerly homeless families, was completed in May 2022, and was fully leased in August 2022. Project 4, Foon Lok East, will include 124 affordable homes for very low-income and formerly homeless families. MidPen closed all financing for Foon Lok East at the end of May 2022, started construction in early June 2022, and is targeting completion in February 2024.

500 Lake Park– 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 18 project-based Veterans Affairs Supportive Housing (VASH) vouchers. The project applied for additional funding from the California Department of Housing and Community Development (HCD) through the 2022 HCD “SuperNOFA”. If this application is successful, construction is expected to commence in late 2023 and take approximately two years to complete.

285 12th Street – The East Bay Asian Local Development Council (EBALDC) is developing 285 12th Street, a 65-unit building in the Downtown/Chinatown area of Oakland that will serve low-income families and people who have experienced homelessness. The project also includes approximately 3,500 square feet of ground floor commercial space.

The Authority has agreed to provide \$12 million in financing to 285 12th Street. The Authority is providing a predevelopment loan of up to \$1 million and the Authority will purchase the project site for its appraised value upon the close of construction financing. The balance of the Authority’s funding will be provided as a soft construction/permanent loan. The Authority has also committed to providing 16 project-based vouchers and an additional 8 VASH project-based vouchers to 285 12th Street. The project-based vouchers will allow the development to extremely low-income and formerly homeless households while maintaining financial viability.

In addition to the permanent financing described above, the Authority provided 285 12th Street with an Acquisition Bridge Loan in the amount of \$7,100,880. This loan allowed EBALDC to repay the acquisition loan for 285 12th Street, which will reduce the interest costs the project would otherwise have to pay until the Authority purchases the project site. The Acquisition Bridge Loan will be repaid when the project begins construction and the Authority acquires the property. The Predevelopment Loan and the Acquisition Bridge Loan were both funded during fiscal year 2022.



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, 2022, 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 ACFR 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 Authority very proudly announces that the GFOA awarded the Certificate for Achievement for Excellence in Financial Reporting to the Authority for its Annual Comprehensive Financial Report for the year ended June 30, 2021. The Authority intends to submit its ACFR for the year ended June 30, 2022, 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

Patricia Wells
Executive Director

Duane Hopkins

Duane Hopkins
Chief Officer of Program & Finance Administration

Victor Madamba

Victor S. Madamba
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

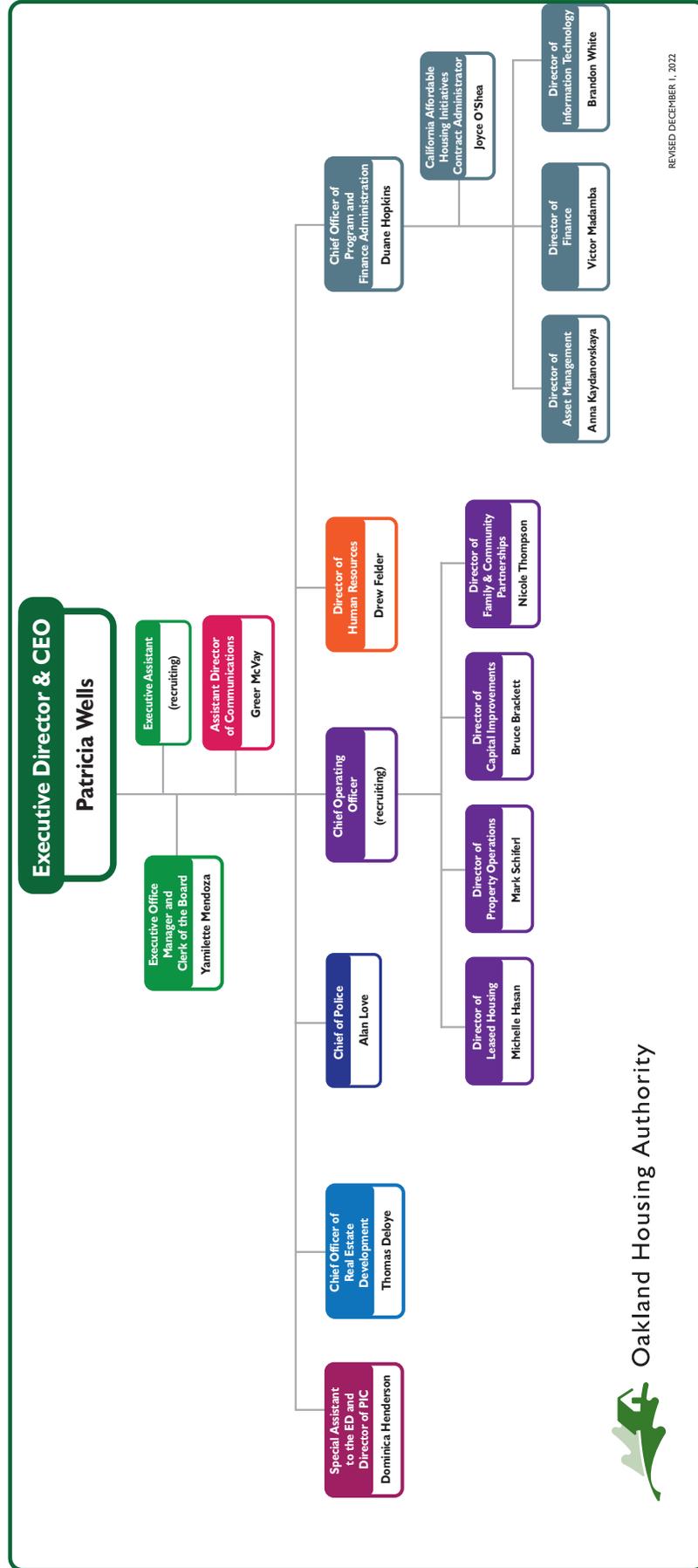
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART



BOARD OF COMMISSIONERS



BOARD OF COMMISSIONERS

- Anne E. Griffith, Chair
- Greg Hartwig, Vice-Chair
- Janny Castillo
- Lynette Jung Lee
- William Mayes
- Barbara Montgomery
- Mark Tortorich



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LEADERSHIP



Patricia Wells
Executive
Director



Duane Hopkins
Chief of Program & Finance
Administration



Victor Madamba
Director of
Finance

DIRECTORS

Bruce Brackett, Capital Improvements

Chief Alan Love, 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



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FINANCIAL SECTION

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



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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 Audit of the Financial Statements

Opinions

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying 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, 2022, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 as of and for the year ended June 30, 2022. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the aggregate discretely presented component units, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). The financial statements of Chestnut Linden Associates, Foothill Family Apartments, L.P., 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*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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/(asset) and related ratios – miscellaneous plan, schedule of proportionate share of the net pension liability/(asset) and related ratios – safety plan, schedule of pension contributions, schedule of changes in the net other postemployment benefit (OPEB) liability/(asset) 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 is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of annual contribution contracts for the capital fund program (CFP); the combining financial schedules; 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. Such information is the responsibility of management and was derived from and relates 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 GAAS. In our opinion, the schedule of annual contribution contracts for the capital fund program (CFP); the combining financial schedules; and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The Authority's management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2023, 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.

Handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, professional style.

Sacramento, California
January 31, 2023

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2022

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 year ended June 30, 2022. 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 \$670.0 million to \$740.4 million as of June 30, 2022, a net increase of \$70.4 million. The net increase is primarily due to revenues of \$1,169.5 million exceeding expenses of \$1,099.1 million.
- Total assets increased by \$115.3 million. The following are the biggest changes contributing to this increase, which include an increase in current assets of \$29.6 million, net OPEB asset increase of \$42.2 million, net pension asset increase of \$22.0 million, and lastly, a cash increase of \$26.3 million. Additionally, there was an increase in notes receivable of \$6.1 million primarily due to a bridge loan provided by the Authority for the 285 12th Street project.
- Capital assets increased by \$7.4 million, representing additions of \$15.1 million offset by \$7.7 million in depreciation expense.
- Total liabilities decreased by \$9.7 million. Contributing to this decrease included a \$10.7 million reduction of the Authority's net pension liability – which for fiscal year (FY) 2022, the Authority reported a net pension asset, offset by an increase of \$1.0 million in accounts payable and other current liabilities.
- Total revenues increased by \$52.4 million from \$1,117.1 million to \$1,169.5 million. The increase is primarily comprised of increases in subsidy revenues of \$41.3 million and from a \$7.1 million increase in nonoperating revenues directly related to the recognition of a development fee. The development fee was reported by the Oakland Affordable Housing Preservation Initiatives (OAHPI), a blended component unit, associated with the Oak Groves Senior Housing project.

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, 2022

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 \$70.4 million during the current fiscal year. This represents an increase of 11% of net position. A summary of the statement of net position as of June 30, 2022 and 2021 is shown in the following table (dollars in millions).

	June 30		Increase/(Decrease)	
	2022	2021	Amount	%
Assets:				
Current and other assets	\$ 652.9	\$ 545.0	\$ 107.9	20%
Capital assets	148.1	140.7	7.4	5%
Total assets	<u>801.0</u>	<u>685.7</u>	<u>115.3</u>	<u>17%</u>
Deferred outflows of resources	<u>11.8</u>	<u>19.0</u>	<u>(7.2)</u>	<u>-38%</u>
Liabilities:				
Current liabilities	18.8	17.9	0.9	5%
Noncurrent liabilities	1.9	12.5	(10.6)	-85%
Total liabilities	<u>20.7</u>	<u>30.4</u>	<u>(9.7)</u>	<u>-32%</u>
Deferred inflows of resources	<u>51.7</u>	<u>4.2</u>	<u>47.5</u>	<u>1131%</u>
Net position:				
Net investment in capital assets	148.1	140.7	7.4	5%
Restricted	87.7	88.0	(0.3)	0%
Unrestricted	<u>504.6</u>	<u>441.3</u>	<u>63.3</u>	<u>14%</u>
Total net position	<u>\$ 740.4</u>	<u>\$ 670.0</u>	<u>\$ 70.4</u>	<u>11%</u>

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

Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

The net increase in the Authority's current and other assets was 20% or \$107.9 million from the prior year. Significant balances with fluctuations compared to the prior year include:

- Notes Receivables – Increase of \$6.1 million driven by a bridge loan related to the 285 12th Street project.
- Accounts Receivables – Increase of \$10.5 million from various receivable accounts, most notably is the \$7.1 million developer fee receivable recognized by OAHPI related to the Oak Groves Senior Housing project.
- Net OPEB Asset – The Authority's net OPEB asset increased \$42.2 million based upon the most recent actuarial valuation for the measurement period July 1, 2020 through June 30, 2021. The increase is a result of the Authority's pre-funding strategy since FY2018, the initial implementation of GASB Statement No. 75, and favorable results from investment earnings. The Authority continued to make its pay-as-you go contributions of \$2.0 million in FY 2022.
- Net Pension Asset – The Authority's net pension asset increased \$22.1 million consistent with the most recent actuarial valuations of the miscellaneous and safety plans. The Authority's prefunding contributions in FY2021 and FY2019, along with investment earnings on the plans' investments, have driven the recognition of a net pension asset.
- Cash increased \$26.3 million from the year ended 2022 largely due to a timing of funds from HUD from its yearly cash reconciliation of the Authority's program reserves as of December 31, 2021.

The net decrease in the Authority's total liabilities was \$9.7 million compared to the prior year due to:

- Accounts payable, accrued payroll and other liabilities timing differences accounted for a \$0.6 million increase.
- The biggest change contributing to the decrease is the Authority's previously reported net pension liability of \$10.3 million, which the Authority is currently reporting a net pension asset as of June 30, 2022, based on the actuarial valuation as of the measurement date June 30, 2021.

The significant changes in net position were due to factors as summarized below:

- Net investment in capital assets increased by \$7.4 million representing a net of additions of capital assets offset by depreciation expense.
- Unrestricted net position increased by \$63.3 million primarily due to increased Housing Assistance Payments revenue recognized during FY2022, the \$7.1 million in developer fees recognized by OAHPI associated with the Oak Groves Senior Housing project, as well as reduced retirement and postemployment health care expenses resulting from the Authority's actuarial valuations for its pension and OPEB plans.

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

Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

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, 2022 and 2021 is shown in the following table (dollars in millions).

	For the year ended June 30		Increase/(Decrease)	
	2022	2021	Amount	%
Revenues:				
Operating revenues:				
Rental income	\$ 43.9	\$ 43.3	\$ 0.6	1%
Housing assistance payments revenues	1,068.7	1,027.4	41.3	4%
Miscellaneous and other revenues	32.9	28.8	4.1	14%
Nonoperating revenues:				
Other nonoperating revenue	22.4	16.1	6.3	39%
Investment income	1.6	1.5	0.1	7%
Total revenues	1,169.5	1,117.1	52.4	5%
Expenses:				
Operating expenses				
Housing assistance payments	1,004.2	965.5	38.7	4%
Depreciation and amortization	7.7	6.8	0.9	13%
Other operating expenses	81.7	94.7	(13.0)	-14%
Nonoperating expenses				
Other nonoperating expense	5.5	1.0	4.5	100%
Total expense	1,099.1	1,068.0	31.1	3%
Change in net position	70.4	49.0	21.4	44%
Net position, beginning of year	670.0	621.0	44.9	7%
Net position, end of year	\$ 740.4	\$ 670.0	\$ 66.3	10%

Revenues: Revenues increased by \$52.4 million with the following explanations:

- Revenues – An increase of \$0.6 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, 2022.
- Housing assistance payments were \$41.3 million higher due to increases in fair market rents in the HUD contracts administered by both the California Affordable Housing Initiatives, Inc. (CAHI), a blended component unit, and the Authority.
- Increase in nonoperating revenues is largely related to the recognition of \$7.1 million in development fees associated with the Oak Groves Senior Housing project.

Expenses: Expenses increased by \$31.1 million with the following explanations:

- Housing Assistance Payments – Payments increased by \$38.7 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 Expenses decreased by \$13.0 million due to decreased costs associated with employee benefits, primarily pension and health care benefits, and an increase in management fees.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Capital Asset Activity

During the year ended June 30, 2022, the Authority expended funds for buildings and improvements and construction in progress in the amount of \$15.1 million; the majority of that was used to address deferred maintenance in the buildings held by OAHPI. Additional information on the Authority's capital assets can be found in Note 6.

The following summarizes the Authority's capital assets, net of accumulated depreciation and the changes for the years ended June 30, 2022 and 2021:

	June 30		Increase/(Decrease)	
	2022	2021	Amount	%
Land	\$ 80.0	\$ 80.0	\$ -	0%
Construction in process	12.7	9.8	2.9	30%
Building and improvements	324.0	313.4	10.6	3%
Equipment and vehicles	14.9	13.3	1.6	12%
	<u>431.6</u>	<u>416.5</u>	<u>15.1</u>	<u>4%</u>
Accumulated depreciation	(283.5)	(275.8)	(7.7)	3%
Total capital assets, net	<u>\$ 148.1</u>	<u>\$ 140.7</u>	<u>\$ 7.4</u>	<u>5%</u>

Long-Term Debt Activity

The Authority did not have any long-term debt outstanding as of June 30, 2022 and 2021.

Economic Factors

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

- The U.S. fiscal 2022 omnibus package includes full year funding for all 12 appropriations bills. It raises HUD funding by \$4 billion and increases nearly all HUD programs. The package also includes a reauthorization of the Violence Against Women Act (VAWA). The Authority's budget for fiscal year 2022 was developed with the expectation that funding levels at a minimum would remain at fiscal year 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 proposed the Build Back Better Act which includes over \$150 billion for affordable housing programs. During fiscal year 2023, the Authority will continue to lease its new allocation of 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 an additional allocation of 46 new vouchers.
- The City of Oakland continued to recover from the economic challenges associated with the global COVID-19 pandemic during FY 2021-22. The Governor's budgeted \$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.

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

Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Unemployment rates declined by more than half during the year, falling from 7.8% in July 2021 to 3.5% as of June 2022. The Authority still anticipates an increase in the need for the affordable housing units in Oakland in the upcoming fiscal year.

- 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 June 30, 2022, 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 the 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 are funds are expended.
- HUD issued Fair Market Rents (FMR) are primarily used to determine payment standard HUD amounts for the Housing Choice Vouchers program. FMR are gross rent estimates for a metropolitan area and include the shelter rent plus the costs of all tenant-paid utilities. For fiscal year 2023, HUD increased the FMR by 3% to 8% in the Oakland-Fremont market. In response, the Authority has enhanced its owner incentives and is developing a comprehensive landlord outreach strategy to include an educational series, print advertising, and partnering with community-based organizations.

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.

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

Statement of Net Position

June 30, 2022

(With Discretely Presented Component Units as of December 31, 2021)

	Primary Government - Business-Type Activities	Discretely Presented Component Units
Assets:		
Current assets:		
Unrestricted cash and cash equivalents	\$ 251,389,198	\$ 8,912,015
Accounts receivable, net:		
U.S. Department of Housing and Urban Development	1,864,714	-
Tenants	3,896,000	1,257,834
Others	24,685,877	642,491
Prepaid expenses	1,251,707	1,478,820
Restricted cash and cash equivalents	89,470,427	11,595,848
Total current assets	372,557,923	23,887,008
Noncurrent assets:		
Interest receivable	9,375,559	-
Notes receivable from component units	126,386,072	-
Notes receivable from others	28,383,947	-
Net pension asset	22,010,297	-
Net OPEB asset	75,646,850	-
Other noncurrent assets	18,563,153	4,184,886
Capital assets:		
Nondepreciable	92,700,280	47,414,277
Depreciable, net	55,356,763	276,548,191
Total capital assets	148,057,043	323,962,468
Total noncurrent assets	428,422,921	328,147,354
Total assets	800,980,844	352,034,362
Deferred outflows of resources:		
Pension related items	9,748,964	-
OPEB related items	2,037,049	-
Total deferred outflows of resources	11,786,013	-
Liabilities:		
Current liabilities:		
Accounts payable	5,959,940	8,039,873
Accrued payroll	2,195,329	25,354
Accrued interest payable	-	832,023
Due to the U.S. Department of Housing and Urban Development	319,225	-
Unearned revenues	4,008,712	657,266
Other accrued liabilities	5,293,348	1,826,108
Tenant security deposits	753,112	693,459
Current portion of compensated absences	303,287	-
Current portion of long-term debt due to primary government	-	15,875
Current portion of long-term debt to others	-	1,498,478
Total current liabilities	18,832,953	13,588,436
Noncurrent liabilities:		
Compensated absences, net of current portion	1,220,995	-
Long-term interest payable	-	17,806,340
Interest payable due to primary government	-	5,977,837
Long-term debt due to primary government, net of current portion	-	126,481,249
Long-term debt to others, net of current portion	-	158,693,199
Family self sufficiency deposits	676,541	-
Total noncurrent liabilities	1,897,536	308,958,625
Total liabilities	20,730,489	322,547,061
Deferred inflows of resources:		
Pension related items	16,632,734	-
OPEB related items	35,026,021	-
Total deferred inflows of resources	51,658,755	-
Net position:		
Net investment in capital assets	148,057,043	37,273,667
Restricted for housing programs	87,734,097	10,902,389
Unrestricted	504,586,473	(18,688,755)
Total net position	\$ 740,377,613	\$ 29,487,301

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, 2022

(With Discretely Presented Component Units for the Year Ended December 31, 2021)

	<u>Primary Government - Business-Type Activities</u>	<u>Discretely Presented Component Units</u>
Operating revenues:		
Rental income	\$ 43,890,333	\$ 21,756,834
Housing assistance payment revenues	1,068,678,955	-
Miscellaneous and other revenues	32,928,429	1,588,387
Total operating revenues	<u>1,145,497,717</u>	<u>23,345,221</u>
Operating expenses:		
Housing assistance payments	1,004,185,386	-
Administrative	28,873,242	4,303,849
Tenant services	1,288,000	-
Utilities	4,627,914	2,783,766
Maintenance and operations	16,567,222	6,034,444
General expenses	30,473,574	3,860,032
Depreciation and amortization	7,705,647	12,720,557
Total operating expenses	<u>1,093,720,985</u>	<u>29,702,648</u>
Operating income (loss)	<u>51,776,732</u>	<u>(6,357,427)</u>
Nonoperating revenues (expenses):		
Investment income	1,632,312	16,915
Interest expense	-	(4,630,308)
Other nonoperating revenues	22,406,010	180,558
Other nonoperating expenses	(5,468,436)	-
Total nonoperating revenues (expenses)	<u>18,569,886</u>	<u>(4,432,835)</u>
Change in net position	70,346,618	(11,180,554)
Net position, beginning of year	<u>670,030,995</u>	<u>40,667,855</u>
Net position, end of year	<u>\$ 740,377,613</u>	<u>\$ 29,487,301</u>

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, 2022

	<u>Primary Government - Business-Type Activities</u>
Cash flows from operating activities:	
Receipts from tenants	\$ 42,414,734
Receipts from customers and others	30,724,224
Receipts from housing assistance programs	1,067,635,178
Payments to suppliers for goods and services	(56,508,241)
Housing assistance payments on behalf of tenants	(1,003,896,246)
Payments to employees for services	<u>(48,730,296)</u>
Net cash provided by operating activities	31,639,353
Cash flows from noncapital financing activities:	
Loans to related parties and component units	<u>9,193,193</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(15,070,620)</u>
Cash flows from investing activities:	
Interest received	<u>551,151</u>
Net change in cash and cash equivalents	26,313,077
Cash and cash equivalents, beginning of year	<u>314,546,548</u>
Cash and cash equivalents, end of year	<u><u>\$ 340,859,625</u></u>

See accompanying notes to basic financial statements.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2022

	<u>Primary Government - Business-Type Activities</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 51,776,732
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	7,705,647
Other expenses	(5,468,436)
Other revenues	7,131,422
Change in net pension and OPEB assets and related deferred outflows and inflows of resources	(19,964,017)
Decrease (increase) in:	
Accounts receivables	(10,493,105)
Prepaid expenses	9,310
Other noncurrent assets	219,918
Increase (decrease) in:	
Accounts payable	131,547
Accrued payroll	473,278
Due to the U.S. Department of Housing and Urban Development	289,140
Tenant security and family self sufficiency deposits	(188,000)
Unearned revenues	(1,173,898)
Compensated absences	(366,315)
Other accrued liabilities	1,556,130
Net cash provided by operating activities	<u>\$ 31,639,353</u>
Cash and cash equivalents:	
Unrestricted cash and cash equivalents	\$ 251,389,198
Restricted cash and cash equivalents	<u>89,470,427</u>
Total cash and cash equivalents	<u>\$ 340,859,625</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, 2022

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, 2022, and is operated by the Authority under HUD contract SF-235. Funding is provided by tenant rent payments and intra-program transfers from the MTW 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 New Construction and Substantial Rehabilitation program, the Section 8 Moderate Rehabilitation program, the Section 8 Housing Choice Vouchers program, the Moving to Work Demonstration program and the Mainstream Voucher program.
 - The *New Construction and 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 143 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, 2022

NOTE 1 – THE FINANCIAL REPORTING ENTITY (Continued)

(a) Organization and Program Descriptions (Continued)

- The *Housing Choice Vouchers* program provides rental housing assistance subsidies in support of 13,958 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 212 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 HUD's Hope VI Urban Revitalization Grant used to redevelop the Authority's housing facilities. These facilities include Chestnut Court, Linden Court, Mandela Gateway, Lion Creek Crossings, and Foothill.
- **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 City cannot impose its will on the Authority by significantly influencing the Authority's programs, projects, activities, or level of services provided.

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, 2022

NOTE 1 – THE FINANCIAL REPORTING ENTITY (Continued)

(b) Reporting Entity (Continued)

Management applied the criteria promulgated by the Governmental Accounting Standards Board (GASB) 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, whether the Authority is able to impose its will, fiscal dependency on the Authority, the component unit's governing body being substantially the same as the Authority, and whether 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 (Board) 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 members of CAHI's Board of Directors members are substantively the same, hence decisions from the Authority's Board cannot be overridden by CAHI's governing 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 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 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 members of OAHPI's Board of Directors are substantively the same, hence decisions from the Authority's Board cannot be overridden by OAHPI's governing 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 Other Housing Programs.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 1 – THE FINANCIAL REPORTING ENTITY (Continued)

(b) Reporting Entity (Continued)

Discrete Component Units

The following discrete component units' fiscal year ended on December 31, 2021, 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 limited partner of CLA is OHA Development, LLC, a California public benefit nonprofit corporation, which is controlled by the Authority (the Authority staff and Board constitute the board of directors of OHA Development, LLC).

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, L.P.** – Oakland Coliseum Housing Partners, L.P. (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, 2022

NOTE 1 – THE FINANCIAL REPORTING ENTITY (Continued)

(b) Reporting Entity (Continued)

- **Lion Way Housing Partners, L.P.** – Lion Way Housing Partners, L.P. (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, L.P.** - Creekside Housing Partners, L.P. (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, L.P.** - Foothill Family Apartments, L.P. (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.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 1 – THE FINANCIAL REPORTING ENTITY (Continued)

(b) Reporting Entity (Continued)

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.

- **Tassafaronga Partners, L.P.** – Tassafaronga Partners, L.P. (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 Board 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, L.P.** – Tassafaronga Partners II, L.P. (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 the \$4,450,000 in Bonds that were issued on August 1, 2009, and purchased by Citicorp and loaned to TP II.

- **Lion Creek Senior Housing Partners, L.P.** – Lion Creek Senior Housing Partners, L.P. (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.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 1 – THE FINANCIAL REPORTING ENTITY (Continued)

(b) Reporting Entity (Continued)

- **Village-Side Housing Partners, L.P.** – Village-Side Housing Partners, L.P. (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.

- **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, which is 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, and 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, L.P. 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.

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

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of Accounting (Continued)

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.

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 and 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:

	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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, 2022.

(d) Allowance for Bad Debts

Management reviews the collectability of receivables on a periodic basis. The Authority established an allowance of \$2,577,667 for accounts receivable as of June 30, 2022.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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, building and improvements, equipment, and vehicles 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 the estimated useful lives of the related assets using the straight-line method.

The estimated useful lives are as follows:

	Primary Government	Discrete Component Units								LCSHP and VSHP		AveVista	OGSH LP
		CLA	MGA	OCHP	LWHP	CHP	FFA	TP and TPII					
Dwelling and non-dwelling structures:													
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		
Nonexpendable equipment:													
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		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		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 discrete 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 has determined 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, 2022

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/(asset), 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, 2022

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, 2022.

- 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. The Authority had no reportable impacts resulting from the implementation of GASB Statement No. 87 for the year ended June 30, 2022.
- 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 the implementation and application of certain GASB Statements. The Authority had no reportable impacts resulting from the implementation of GASB Statement No. 92 for the year ended June 30, 2022.
- In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an InterBank Offered Rate (IBOR) to other reference rates. The Authority had no reportable impacts resulting from the implementation of GASB Statement No. 93 for the year ended June 30, 2022.
- 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 Authority had no reportable impacts resulting from the implementation of GASB Statement No. 97 for the year ended June 30, 2022.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The Authority had no reportable impacts resulting from the implementation of GASB Statement No. 99 for the year ended June 30, 2022.

(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 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, if any, of this Statement on its financial statements.
- 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. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The Authority has not determined the effect, if any, 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, if any, 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, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Upcoming Governmental Accounting Standards (Continued)

- In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The impact of these requirements for the Authority were previously discussed in section (l). The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for years beginning after June 15, 2023, and all reporting periods thereafter. The Authority has not determined the effect, if any, of this Statement on its financial statements.
- In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The Authority has not determined the effect, if any, of this Statement on its financial statements.
- In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The Authority has not determined the effect, if any, 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 unit, provided that the unit's physical condition is satisfactory. At June 30, 2022, the Authority's security deposits in the amount of \$292,528, \$3,583 and \$457,001 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, 2022

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, 2022, FSS funds of \$676,541 held in the Low Rent Housing, 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 \$1,831,569 as of June 30, 2022.

(d) Other Restricted Accounts

At June 30, 2022, the Authority’s Police Department maintains a restricted asset forfeiture account in the amount of \$29,778 and the Authority has other miscellaneous restricted reserves in the amount of \$14,090.

NOTE 4 – CASH AND CASH EQUIVALENTS

(a) Cash and Cash Equivalents

Cash and cash equivalents are presented in the accompanying statement of net position as of June 30, 2022 (primary government) and December 31, 2021 (discrete component units), and are summarized as follows:

	Primary Government	Discrete Component Units	Total
Unrestricted cash and cash equivalents	\$ 251,389,198	\$ 8,912,015	\$ 260,301,213
Restricted cash and cash equivalents	89,470,427	11,595,848	101,066,275
Total cash and cash equivalents	<u>\$ 340,859,625</u>	<u>\$ 20,507,863</u>	<u>\$ 361,367,488</u>

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 4 – CASH AND CASH EQUIVALENTS (Continued)

(a) Cash and Cash Equivalents (Continued)

Cash and cash equivalents as of June 30, 2022 (primary government) and December 31, 2021 (discrete component units), consist of the following:

	Primary Government	Discrete Component Units	Total
Cash on hand	\$ 4,375	\$ -	\$ 4,375
Deposits with financial institutions	340,855,250	20,507,863	361,363,113
Total cash and cash equivalents	<u>\$ 340,859,625</u>	<u>\$ 20,507,863</u>	<u>\$ 361,367,488</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 fair 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, 2022 represents the following:

	Component Units	From Others	Total
Notes receivable:			
Low Rent Housing	\$ 13,438,861	\$ -	\$ 13,438,861
Moving To Work	1,334,514	15,607,891	16,942,405
HOPE VI	35,555,514	-	35,555,514
OHA Other	76,057,183	12,776,056	88,833,239
Total notes receivable	<u>\$ 126,386,072</u>	<u>\$ 28,383,947</u>	<u>\$ 154,770,019</u>
Interest receivable:			
Low Rent Housing	\$ 3,128,421	\$ -	\$ 3,128,421
Moving To Work	206,596	48,363	254,959
HOPE VI	1,785,569	-	1,785,569
OHA Other	4,206,610	-	4,206,610
Total interest receivable	<u>\$ 9,327,196</u>	<u>\$ 48,363</u>	<u>\$ 9,375,559</u>

Notes receivable of the primary government from the component units is \$126,386,072. The amounts of notes receivable and interest receivable from component units and notes payable and interest payable to the primary government in the accompanying financial statements differ due to the differences in the financial statement reporting dates (June 30, 2022 for the Authority, and December 31, 2021 for component units).

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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, 2022.

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 into 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 \$3,115,596 respectively, as of June 30, 2022.

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 \$12,825, respectively, as of June 30, 2022.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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, 2022, the amount outstanding on the loan funded by the MTW and accrued interest were \$1,334,515 and \$206,596, respectively and the amount outstanding on the loan funded by Other Housing programs and accrued interest were \$7,400,300 and \$1,552,121, 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, 2022 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, 2022 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, 2022 was \$1,591,956.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 5 – NONCURRENT NOTES AND INTEREST RECEIVABLE (Continued)

(b) Moving To Work Notes Receivable (Continued)

285 12th Street Project – On October 18, 2021, the Authority entered into an Acquisition Bridge Loan Agreement with 285 12th Street, LLC, whereby the Authority agreed to loan an amount not to exceed \$7,100,880 for predevelopment costs associated with the construction of an affordable multifamily rental project with approximately 65 units. The loan will accrue interest at the rate of one percent (1%) per year, compounded annually. The loan has a term of the earlier of: (1) October 18, 2023 or (2) the date of the construction closing. The principal and interest outstanding on this loan was \$6,840,933 and \$48,363 respectively, as of June 30, 2022.

(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 69th 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 \$1,785,570, respectively, as of June 30, 2022.

Coliseum Gardens Project (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 \$5,386,289 as of June 30, 2022.

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.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 5 – NONCURRENT NOTES AND INTEREST RECEIVABLE (Continued)

(c) HOPE VI Notes Receivable (Continued)

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, 2022.

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 \$3,225,555 as of June 30, 2022.

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 the 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 \$8,637,121 as of June 30, 2022.

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, 2022 was \$8,476,171.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 5 – NONCURRENT NOTES AND INTEREST RECEIVABLE (Continued)

(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, 2022. 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 \$709,284, respectively, as of June 30, 2022.

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 then against the remaining outstanding principal. The principal and interest amount outstanding on the interest-bearing loan was \$500,000 and \$192,432, respectively, as of June 30, 2022. The principal outstanding for the non-interest-bearing loan was \$1,319,688 as of June 30, 2022.

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 \$1,215,079 as of June 30, 2022.

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.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 5 – NONCURRENT NOTES AND INTEREST RECEIVABLE (Continued)

(d) Other Housing Programs Notes Receivable (Continued)

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, 2022.

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, 2022.

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 homebuyers, 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, 2022.

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 15th of each year. The amount outstanding on this loan was \$1,227,606 as of June 30, 2022.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 5 – NONCURRENT NOTES AND INTEREST RECEIVABLE (Continued)

(d) Other Housing Programs Notes Receivable (Continued)

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, 2022.

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 \$6,394,694 as of June 30, 2022.

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 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, 2022, the principal amount outstanding was \$3,206,361.

Oak Groves Senior Housing, L.P. – 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 17th Street and 570 16th 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, is to 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 amounts outstanding on the interest-bearing promissory note was \$34,400,000 and \$1,752,772, respectively, as of June 30, 2022. The principal outstanding for the non-interest-bearing loans were \$13,000,000, \$2,000,000 and \$599,901, respectively, as of June 30, 2022.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Reductions/ Transfers	Balance June 30, 2022
<i>Capital assets, not being depreciated:</i>				
Land	\$ 79,985,141	\$ -	\$ -	\$ 79,985,141
Construction in progress	9,841,713	3,723,707	(850,282)	12,715,138
Total capital assets, not being depreciated	<u>89,826,854</u>	<u>3,723,707</u>	<u>(850,282)</u>	<u>92,700,279</u>
<i>Capital assets, being depreciated:</i>				
Building and improvements	313,370,497	9,774,869	850,282	323,995,648
Equipment and vehicles	13,300,248	1,572,043	-	14,872,291
Total capital assets, being depreciated	<u>326,670,745</u>	<u>11,346,912</u>	<u>850,282</u>	<u>338,867,939</u>
<i>Less accumulated depreciation</i>				
Building and improvements	(265,630,632)	(6,686,203)	-	(272,316,835)
Equipment and vehicles	(10,174,897)	(1,019,444)	-	(11,194,341)
Less accumulated depreciation	<u>(275,805,529)</u>	<u>(7,705,647)</u>	<u>-</u>	<u>(283,511,176)</u>
Total capital assets, being depreciated, net	<u>50,865,216</u>	<u>3,641,265</u>	<u>850,282</u>	<u>55,356,763</u>
Total capital assets, net	<u>\$ 140,692,070</u>	<u>\$ 7,364,972</u>	<u>\$ -</u>	<u>\$ 148,057,042</u>

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 7 – LONG-TERM OBLIGATIONS

Changes to the Authority’s long-term obligations for the year ended June 30, 2022 was as follows:

Compensated absences:	
July 1, 2021	\$ 1,890,597
Additions	300,611
Reductions	<u>(666,926)</u>
June 30, 2022	1,524,282
Short-term compensated absences	<u>(303,287)</u>
Long-term compensated absences	<u>\$ 1,220,995</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:

<u>Coverage</u>	<u>Deductible</u>	<u>HARRG/ ERMA</u>	<u>Excess Coverage</u>
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, 2022 and 2021 were as follows:

	<u>July 1</u>	<u>Estimates</u>	<u>Payments</u>	<u>June 30</u>
2022	\$ 765,598	\$ 230,844	\$ 150,489	\$ 845,953
2021	701,725	221,860	157,987	765,598

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 the 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.

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Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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, 2022, the Authority is due \$17 million from BAHARMA, and this amount is 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, 2021 (most recently available):

	Statement of Net Position September 30, 2021		Statement of Revenues, Expenses and Changes in Net Position For the Year Ended September 30, 2021
Assets:		Operating revenues:	
Cash and equivalents	\$ 38,686,976	Claims servicing revenues	<u>\$ 1,047,193</u>
Prepaid and other	834,443		
Investments	<u>3,450,736</u>	Total operating revenues	<u>1,047,193</u>
Total assets	<u>42,972,155</u>	Operating expenses:	
Liabilities:		Claims administration	218,754
Claims liability	13,072,962	General and administration	<u>828,439</u>
Due to members	29,741,346	Total operating expenses	<u>1,047,193</u>
Premium deposit and other	<u>157,847</u>	Change in net position	-
Total liabilities	<u>42,972,155</u>	Net position, beginning of year	<u>-</u>
Net position	<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, 2022, there is one employee in this plan. For the year ended June 30, 2022, the Authority contributed 10% of annual covered salary related to this employee to the plan. Contributions in the amount of \$8,587 were made during the year June 30, 2022, and the plan had an ending investment balance of \$2,000,652 at June 30, 2022.

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CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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), which 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 pension plan, and Miscellaneous (all others) 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 resolution by the Authority’s Board. 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	6.920%	7.500%	9.000%	11.500%
Required employer contribution rates	10.600%	7.770%	12.790%	11.990%

Employees Covered – At June 30, 2022, the most recent information available (as of June 30, 2021), the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	318	8
Inactive employees entitled to but not yet receiving benefits	231	22
Active employees	293	13
Total	842	43

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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Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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 6.92% 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’ 7.5% contribution. In addition, the Authority contributes on behalf of Safety Plan members the full contribution amount of 9% effective for 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’ 11.5% contribution.

For the year ended June 30, 2022, the Authority contributed \$6,172,344 and \$929,811 for the Miscellaneous and Safety Plans, respectively, that were reported as deferred outflows of resources in the statement of net position.

(b) Net Pension Asset

At June 30, 2022, the Authority’s net pension asset is comprised of the following:

Miscellaneous Plan	\$ 21,350,963
Safety Plan	<u>659,334</u>
Total	<u>\$ 22,010,297</u>

The Authority’s net pension asset 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 (asset). The Authority’s proportionate share of the net pension liability (asset) 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 Fair 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 (asset) 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 (asset) for each plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures.

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Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 10 – PENSION PLANS – DEFINED BENEFIT (Continued)

(b) Net Pension Asset (Continued)

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

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Measurement period	July 1, 2020 to June 30, 2021
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*

* 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 under Forms and Publications.

All other actuarial assumptions used in the June 30, 2020 valuation are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017.

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 expenses but without reduction for pension plan administrative expenses. Administrative expenses are assumed to be 15 basis points. The discount rate of 7.15 percent used for the June 30, 2021 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 expenses and inflation) are developed for each major asset class.

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CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 10 – PENSION PLANS – DEFINED BENEFIT (Continued)

(b) Net Pension Asset (Continued)

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 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, 2021 measurement date was as follows:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ^(a)	Real Return Years 11+ ^(b)
Public Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	-0.92%
Total	100%		

^(a) An expected inflation of 2.00% used for this period.

^(b) An expected inflation of 2.92% used for this period.

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

The changes in the net pension liability (asset) for the Miscellaneous Plan over the measurement period July 1, 2010 to June 30, 2021 is as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2020	\$ 145,804,614	\$ 137,661,621	\$ 8,142,993
Changes recognized for the measurement period:			
Service cost	4,061,578	-	4,061,578
Interest on the total pension liability	10,383,767	-	10,383,767
Differences between expected and actual experience	842,901	-	842,901
Contributions from the employer	-	10,930,265	(10,930,265)
Contributions from the employees	-	1,807,517	(1,807,517)
Investment income	-	32,181,936	(32,181,936)
Administrative expenses	-	(137,516)	137,516
Benefit payments, including refunds of employee contributions	(6,901,564)	(6,901,564)	-
Net changes during the measurement period	8,386,682	37,880,638	(29,493,956)
Balance at June 30, 2021 (measurement date)	\$ 154,191,296	\$ 175,542,259	\$ (21,350,963)

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 10 – PENSION PLANS – DEFINED BENEFIT (Continued)

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

The Authority's proportionate share of the net pension liability (asset) for the Safety Plan was (0.01879)% as of June 30, 2021, a decrease of 0.05246% from June 30, 2020.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the net pension liability (asset) of the Miscellaneous Plan and the Authority's proportionate share of the net pension liability (asset) 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 (asset) 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	\$ (1,093,607)	\$ (21,350,963)	\$ (38,137,746)
Safety Plan	2,457,071	(659,334)	(3,219,076)
Net Pension Liability (Asset)	\$ 1,363,464	\$ (22,010,297)	\$ (41,356,822)

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, 2022, the Authority recognized a credit of \$29,493,929 in total pension expense including amortization of deferred outflows/inflows of resources related to pensions. At June 30, 2022, 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	\$ 6,172,344	\$ 929,811	\$ 7,102,155	\$ -	\$ -	\$ -
Differences between expected and actual experience	909,765	-	909,765	(273,711)	(112,647)	(386,358)
Net differences between projected and actual earnings on pension plan investments	-	392,430	392,430	(16,051,359)	-	(16,051,359)
Adjustment due to differences in proportion	-	1,074,056	1,074,056	-	-	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	270,558	270,558	-	(195,017)	(195,017)
	\$ 7,082,109	\$ 2,666,855	\$ 9,748,964	\$ (16,325,070)	\$ (307,664)	\$ (16,632,734)

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Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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 \$7,102,155, will be recognized as a reduction of the net pension liability in Fiscal Year 2023 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
2023	\$ (3,677,770)	\$ 582,474
2024	(3,572,379)	526,271
2025	(3,737,545)	212,643
2026	(4,427,611)	107,992
	\$ (15,415,305)	\$ 1,429,380

(e) Payable to the Pension Plan

At June 30, 2022, the Authority did not have a payable for outstanding contribution amounts 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. Employees hired on or after January 1, 2017 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 to the California Public Employees’ Retirement System, Constituent Relations Office, CERBT (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 portion in the amount of \$2,020,971 during the year ended June 30, 2022.

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Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

As of June 30, 2022, the fair value of the Authority’s investments in the CERBT was proximately \$104,670,498. This balance is net of all plan activity during fiscal year 2022, including annual investment losses of \$(16,132,982).

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, 2021.

Active employees	315
Retired employees	211
Total	526

Net OPEB Liability (Asset)

The Authority’s net OPEB liability/(asset) was measured as of June 30, 2021, and the total OPEB liability/(asset) was determined by an actuarial valuation dated June 30, 2021, using the following actuarial methods and assumptions:

Description	Method and Assumptions
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method/Period	Closed 20 Year Period
Discount Rate	6.50%
Inflation	2.50%
Projected Payroll Growth	2.75%
Investment Rate of Return	6.50%
Healthcare Cost Trend Rates	4.00%
Mortality	Police2017 CalPERS Mortality for Safety Employees. Miscellaneous: 2017 CalPERS Mortality for Miscellaneous and Schools Employees.

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, 2021. 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 the 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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Notes to Basic Financial Statements (Continued)
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NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Long-Term Expected Rate of Return

The valuation uses a discount rate of 6.50% 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, 2021 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
All Equities	59.0%	7.55%
All Fixed Income	25.0%	4.25%
Real Estate Investment Trusts	8.0%	7.25%
All Commodities	3.0%	7.55%
Treasury Inflation Protected Securities	5.0%	3.00%
Total	100.0%	

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, 2021.

	Increase (Decrease)		
	OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2020	\$ 61,383,376	\$ 94,852,285	\$ (33,468,909)
Changes recognized for the measurement period:			
Service cost	1,935,883	-	1,935,883
Interest on the total OPEB liability	3,674,130	-	3,674,130
Differences between expected and actual experience	(5,999,655)	-	(5,999,655)
Changes in assumptions	(13,493,792)	-	(13,493,792)
Contributions from the employer	-	2,256,228	(2,256,228)
Investment income	-	26,074,172	(26,074,172)
Administrative expenses	-	(35,893)	35,893
Benefit payments	(2,256,228)	(2,256,228)	-
Net changes during the measurement period	(16,139,662)	26,038,279	(42,177,941)
Balance at June 30, 2021 (measurement date)	\$ 45,243,714	\$ 120,890,564	\$ (75,646,850)

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. Five years of information is presented and will build to 10 year of information on a prospective basis.

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Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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 – The following table represents the net OPEB liability/(asset), calculated using the current discount rate of 6.50%, 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:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB Liability/(Asset)	(\$70,111,797)	(\$75,646,850)	(\$80,253,709)

Sensitivity of the Net OPEB Liability/(Asset) Due to Changes in the Health Care Cost Trend Rate – The following table represents the net OPEB liability/(asset) of the Authority, calculated using the current health care cost trend rate of 4.00% 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:

	1% Decrease (3.00%)	Current Healthcare Cost Trend Rate (4.00%)	1% Increase (5.00%)
Net OPEB Liability/(Asset)	(\$81,057,059)	(\$75,646,850)	(\$68,990,182)

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

For the year ended June 30, 2022, the Authority recognized OPEB expense of (\$7,865,260). At June 30, 2022, 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	\$ 2,020,971	\$ -
Difference between expected and actual experience	-	5,527,105
Changes in assumptions	16,078	14,138,681
Net differences between projected and actual earnings on OPEB plan investments	-	15,360,235
Total	\$ 2,037,049	\$ 35,026,021

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Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

\$2,020,971 reported as deferred outflows of resources related to OPEB contributions made subsequent to the measurement date of June 30, 2021, will be recognized as a reduction of the net OPEB liability/(asset) during 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
2023	\$ (7,454,287)
2024	(7,097,991)
2025	(7,065,806)
2026	(7,515,157)
2027	(2,856,671)
Thereafter	(3,020,031)

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, 2022, approximately 95.3% of operating revenues and 6.1% 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, 2022, 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 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**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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 value, or the assumption of all outstanding debt and taxes. As this option 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, L.P. (OHCP)*

Ground Lease - OHCP'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 OHCP 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 OHCP and the California Tax Credit Allocation Committee's tax credit restrictive covenant agreement.

(d) *Lion Way Housing Partners, L.P. (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, L.P. (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, L.P. (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, 2022, the Authority received lease income of \$7,972.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 13 – RELATED PARTY TRANSACTIONS (Continued)

(g) Tassafaronga Partners, L.P. (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, 2022, 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 \$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 \$5,080,000 as of December 31, 2021.

(h) Tassafaronga Partners II, L.P. (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, 2022, there have been no operating deficit loans made to TP II.

(i) Village-Side Housing Partners, L.P. (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, 2021, 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, 2022

NOTE 13 – RELATED PARTY TRANSACTIONS (Continued)

(i) Village-Side Housing Partners, L.P. (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.

(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.

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 \$4,949,894 as of December 31, 2021, as summarized in Note 15.

(l) Oak Groves Senior Housing, L.P. (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, 2022, the Authority did not receive any lease income.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

**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, 2021 for the Authority’s discretely presented component units.

	Chestnut Linden Associates (1)	Mandela Gateway Associates (1)	Oakland Coliseum Housing Partners (1)	Lion Way Housing Partners (1)	Creekside Housing Partners (1)	Foothill Family Apartments (1)	Tassafaronga Partners (1)	Tassafaronga Partners II (1)	Lion Creek Senior Housing Partners (1)	Village-Side Housing Partners (1)	Ave Vista Associates (1)	Oak Groves Senior Housing LP	Total
Assets													
Unrestricted cash and cash equivalents	\$ 94,067	\$ 168,539	\$ 183,273	\$ 363,869	\$ 307,219	\$ 270,107	\$ 523,252	\$ 106,257	\$ 1,241,583	\$ 214,869	\$ 241,612	\$ 5,197,368	\$ 8,912,015
Restricted cash and cash equivalents	1,638,275	927,183	1,123,900	1,020,595	1,062,440	598,500	2,504,204	570,477	729,516	681,016	710,380	29,362	11,595,848
Accounts receivable and other current assets	297,928	171,126	143,277	276,740	208,047	29,438	114,645	15,218	136,403	128,820	43,319	1,814,184	3,379,145
Other noncurrent assets	7,831	-	489,613	876,314	975,043	-	18,268	2,970	34,410	1,721,145	15,904	43,388	4,184,886
Capital assets, net	19,100,309	22,830,252	20,215,444	20,089,652	24,996,731	6,199,402	31,418,908	4,489,021	25,839,742	21,096,324	22,965,882	104,720,801	323,962,468
Total assets	21,138,410	24,097,100	22,155,507	22,627,170	27,549,480	7,097,447	34,579,277	5,183,943	27,981,654	23,842,174	23,977,097	111,805,103	352,034,362
Liabilities													
Current liabilities	714,152	473,989	324,105	403,504	321,090	303,767	1,395,826	141,946	1,098,755	160,628	486,645	7,764,029	13,588,436
Other noncurrent liabilities	13,277	4,211,435	3,030,086	3,379,071	2,686,314	1,696,242	2,884,456	1,256,125	12,527	1,663,403	1,538,282	1,412,959	23,784,177
Loans from the Authority (Note 5)	10,529,424	3,324,940	5,394,726	8,730,490	3,243,932	2,400,000	14,313,793	1,819,688	9,332,977	8,656,663	8,734,715	49,999,901	126,481,249
Long-term obligations (other than loans from the Authority)	4,961,954	5,294,024	14,287,504	14,760,279	17,725,344	1,201,243	17,156,804	3,755,315	4,649,559	14,133,785	6,779,863	53,987,525	158,693,199
Total liabilities	16,218,807	13,304,388	23,036,421	27,273,344	23,976,680	5,601,252	35,750,879	6,973,074	15,093,818	24,614,479	17,539,505	113,164,414	322,547,061
Net position	\$ 4,919,603	\$ 10,792,712	\$ (880,914)	\$ (4,646,174)	\$ 3,572,800	\$ 1,496,195	\$ (1,171,602)	\$ (1,789,131)	\$ 12,887,836	\$ (772,305)	\$ 6,437,592	\$ (1,359,311)	\$ 29,487,301
Operating revenues													
Operating revenues	\$ 2,270,022	\$ 2,795,170	\$ 1,676,431	\$ 2,285,846	\$ 1,641,960	\$ 1,219,390	\$ 3,247,255	\$ 424,302	\$ 2,811,826	\$ 1,097,231	\$ 1,468,457	\$ 2,407,331	\$ 23,345,221
Operating expenses	(3,277,117)	(4,016,237)	(2,173,290)	(3,316,855)	(2,229,497)	(1,106,949)	(3,979,290)	(599,272)	(2,179,038)	(1,808,843)	(1,626,157)	(3,390,103)	(29,702,648)
Operating income (loss)	(1,007,095)	(1,221,067)	(496,859)	(1,031,009)	(587,537)	112,441	(732,035)	(174,970)	632,788	(711,612)	(157,700)	(982,772)	(6,357,427)
Nonoperating revenues	759	6,574	136	3,902	3,291	369	448	158	181,243	150	443	-	197,473
Nonoperating expenses	(1,493)	(294,417)	(403,330)	(541,229)	(502,405)	(277,766)	(682,713)	(114,210)	(238,609)	(279,701)	(593,900)	(700,535)	(4,630,308)
Income (loss) before capital distributions	(1,007,829)	(1,508,910)	(900,053)	(1,568,336)	(1,086,651)	(164,956)	(1,414,300)	(289,022)	575,422	(991,163)	(751,157)	(1,683,307)	(10,790,262)
Capital distributions from partnerships	-	-	-	(161,019)	(146,601)	(12,952)	-	-	(33,913)	(24,523)	(11,284)	-	(390,292)
Change in net position	(1,007,829)	(1,508,910)	(900,053)	(1,729,355)	(1,233,252)	(177,908)	(1,414,300)	(289,022)	541,509	(1,015,686)	(762,441)	(1,683,307)	(11,180,554)
Net position, beginning 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
Net position, end of year	\$ 4,919,603	\$ 10,792,712	\$ (880,914)	\$ (4,646,174)	\$ 3,572,800	\$ 1,496,195	\$ (1,171,602)	\$ (1,789,131)	\$ 12,887,836	\$ (772,305)	\$ 6,437,592	\$ (1,359,311)	\$ 29,487,301

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

**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, 2021.

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 the 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, 2022

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

At December 31, 2021, these component units' restricted cash and cash equivalents are as follows:

	CLA	MGA	OCHP	LWHP	CHP	FFA	TP	TP II	VSHF	LCS	AV	OGSH LP	Total
Restricted deposits for:													
Replacement reserves	\$ 951,154	\$ 366,563	\$ 393,925	\$ 425,554	\$ 380,615	\$ 295,424	\$ 727,829	\$ 107,714	\$ 277,672	\$ 334,721	\$ 184,543	\$ -	\$ 4,445,714
Operating reserves	359,438	315,038	452,237	392,086	422,748	264,830	480,278	161,685	225,439	350,745	441,059	-	3,865,583
Affordability reserves	233,144	-	34,501	-	-	-	-	-	-	-	-	-	267,645
Priority distribution reserves	-	-	43,500	-	-	-	-	-	-	-	-	-	43,500
Security reserves	-	-	119,241	-	-	-	-	-	-	-	-	-	119,241
Asset management fee reserves	-	-	-	-	57,816	-	-	-	-	-	-	-	57,816
Section 8 reserves	-	-	-	90,460	120,338	-	-	-	142,658	-	-	-	353,456
Debt service reserves	-	-	-	-	-	-	74,346	-	-	-	-	-	74,346
Revenue deficit reserves	-	-	-	-	-	-	1,020,489	296,458	-	-	-	-	1,316,947
Escrow deposits	-	126,443	13,938	31,478	23,999	-	105,369	-	-	-	54,637	-	355,864
Tenant security deposits	94,539	119,139	66,558	81,017	56,924	38,246	95,893	4,620	35,247	44,050	30,141	29,362	695,736
Total restricted deposits	\$ 1,638,275	\$ 927,183	\$ 1,123,900	\$ 1,020,595	\$ 1,062,440	\$ 598,500	\$ 2,504,204	\$ 570,477	\$ 681,016	\$ 729,516	\$ 710,380	\$ 29,362	\$ 11,595,848

Capital Assets - The Authority's component units' capital assets activity for the year ended December 31, 2021, is as follows:

	January 1, 2021	Additions/ Transfers	Reductions/ Transfers	December 31, 2021
<i>Capital assets, not being depreciated:</i>				
Land and improvements	\$ 16,563,703	\$ -	\$ -	\$ 16,563,703
Construction in progress	3,427,555	27,423,019	-	30,850,574
Total capital assets, not being depreciated	19,991,258	27,423,019	-	47,414,277
<i>Capital assets, being depreciated:</i>				
Building and improvements	417,734,188	3,479,098	-	421,213,286
Furniture and Fixtures	11,377,906	111,489	(1,080,770)	10,408,625
Vehicles	8,624	-	-	8,624
Total capital assets, being depreciated	429,120,718	3,590,587	(1,080,770)	431,630,535
<i>Less accumulated depreciation</i>	(142,445,541)	(12,636,803)	-	(155,082,344)
Total capital assets, being depreciated, net	286,675,177	(9,046,216)	(1,080,770)	276,548,191
Component units capital assets, net	\$ 306,666,435	\$ 18,376,803	\$ (1,080,770)	\$ 323,962,468

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

**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, 2021, consisted of the following:

<u>Type of indebtedness (purpose)</u>	<u>Maturity Year</u>	<u>Interest Rates</u>	<u>Principal Installments</u>	<u>Balance December 31, 2021</u>
<i>Chestnut Linden Associates</i>				
Redevelopment Agency of the City of Oakland World Savings Bank Affordable Housing Program	2057	0.0%	Excess/distributable cash	\$ 4,357,954
	2057	0.0%	At maturity	604,000
Total Chestnut Linden Associates				<u>4,961,954</u>
<i>AveVista Associates, L.P.</i>				
JP Morgan Chase I	2051	5.28%	\$27,755 monthly payment	4,949,894
JP Morgan Chase II	2051	3.6%	\$3,564 monthly payment	771,405
JP Morgan Chase II	2027	5.4%	\$9,204 monthly payment	570,575
Federal Home Loan Bank of San Francisco	2030	0.0%	At maturity	670,000
Total AveVista Associates, L.P.				<u>6,961,874</u>
<i>Mandela Gateway Associates</i>				
California Housing Finance Agency	2035	3.0%	Sufficient residual receipts	827,409
Redevelopment Agency of the City of Oakland City of Oakland	2058	3.0%	Sufficient residual receipts	2,500,000
World Savings Bank Affordable Housing Program	2058	3.0%	Sufficient residual receipts	1,000,000
	2060	0.0%	At maturity	1,000,000
Total Mandela Gateway Associates				<u>5,327,409</u>
<i>Oakland Coliseum Housing Partners, L.P.</i>				
			\$18,366 monthly payments	
California Housing Finance Agency Note #A	2042	5.5%	of principal and interest	2,688,436
California Housing Finance Agency Note #B	2042	3.0%	\$2,213 monthly payments	402,636
Department of Housing and Community Development City of Oakland	2061	3.0%	0.42% of unpaid principal annually	7,965,000
City of Oakland (Successor Agency)	2059	0.0%	9.3% of net cash flow	1,469,390
Affinity Bank	2059	0.0%	9.3% of net cash flow	1,469,390
	2042	0.0%	At maturity	460,000
Total Oakland Coliseum Housing Partners, L.P.				<u>14,454,852</u>
<i>Lion Way Housing Partners, L.P.</i>				
			\$21,948 monthly payments	
California Housing Finance Agency Note #1	2047	5.9%	of principal and interest	3,492,810
California Housing Finance Agency Note #2	2047	3.0%	\$2,613 monthly payments	564,469
Department of Housing and Community Development Affinity Bank	2062	3.0%	0.42% of unpaid principal annually	10,315,000
	2042	0.0%	At maturity	645,000
Total Lion Way Housing Partners, L.P.				<u>15,017,279</u>
<i>Creekside Housing Partners, L.P.</i>				
			\$21,601 monthly payments	
California Housing Finance Agency Note #A	2049	5.7%	of principal and interest	3,577,869
California Housing Finance Agency Note #C	2049	3.0%	\$1,897 monthly payments	432,580
Department of Housing and Community Development City of Oakland	2064	3.0%	0.42% of unpaid principal annually	9,028,478
Far East National Bank	2061	0.0%	9% of residual receipts	4,455,404
	2061	0.0%	At maturity	525,000
Total Creekside Housing Partners, L.P.				<u>18,019,331</u>
<i>Foothill Family Apartments, L.P.</i>				
Hanni Bank, Federal Savings Bank	2035	7.5%	\$12,375 monthly payments	1,268,025

(Continued on next page)

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

**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, 2021, consisted of the following (continued):

(Continued from previous page)

<u>Type of indebtedness (purpose)</u>	<u>Maturity Year</u>	<u>Interest Rates</u>	<u>Principal Installments</u>	<u>Balance December 31, 2021</u>
<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	\$ 5,080,000
Redevelopment Agency of the City of Oakland	2063	0.0%	14.88% of cash flow	2,974,382
Department of Housing and Community Development	2066	3.0%	0.42% of unpaid principal annually	10,000,000
Total Tassafaronga Partners, L.P.				<u>18,054,382</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	2064	0.0%	At maturity	200,000
County of Alameda Loan	2064	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, L.P.				<u>3,813,296</u>
<i>Village-Side Housing Partners, L.P.</i>				
California Community Reinvestment Corporation - Non-Section 8	2042	6.25%	\$3,817 monthly payments	582,910
City of Oakland	2065	0.0%	50% of cash flow	3,460,355
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 residual receipts	2,947,208
Total Village-Side Housing Partners, L.P.				<u>14,518,065</u>
<i>Lion Creek Senior Housing Partners, L.P.</i>				
MUFG Union Bank	2030	65% of LIBOR + 2.35%	Based on 15 year amortization	4,062,362
MUFG Union Bank (AHP Note)	2070	0.0%	At maturity	1,270,000
Total Lion Creek Senior Housing Partners, L.P.				<u>5,332,362</u>
<i>Oak Groves Senior Housing, L.P.</i>				
US Bank	2022	1.49%	At maturity	55,464,890
Total Component Units				<u>\$ 163,193,719</u>

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

**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, 2021, is as follows:

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Amounts Due Within One Year
<i>Component Units:</i>					
Chestnut Linden Associates	\$ 4,990,245	\$ -	\$ (28,291)	\$ 4,961,954	\$ -
Mandela Gateway Associates	5,327,409	-	-	5,327,409	-
Oakland Coliseum Housing Partners, L.P.	14,546,686	-	(91,834)	14,454,852	89,077
Lion Way Housing Partners, L.P.	15,086,979	-	(69,700)	15,017,279	73,496
Creekside Housing Partners, L.P.	18,118,133	-	(98,802)	18,019,331	66,999
Foothill Family Apartments, L.P.	1,319,270	-	(51,245)	1,268,025	55,356
Tassafaronga Partners, L.P.	18,605,000	-	(550,618)	18,054,382	616,818
Tassafaronga Partners II, L.P.	3,813,296	-	-	3,813,296	-
Village-Side Housing Partners, L.P.	14,583,760	-	(65,695)	14,518,065	55,826
Lion Creek Senior Housing Partners, L.P.	5,698,239	-	(365,877)	5,332,362	383,639
AveVista Associates, L.P.	7,119,141	-	(157,267)	6,961,874	157,267
Oak Groves Senior Housing, L.P.	38,246,626	17,218,264	-	55,464,890	-
Total	\$ 147,454,784	\$ 17,218,264	\$ (1,479,329)	163,193,719	\$ 1,498,478
				Less unamortized debt issuance costs	(3,002,042)
				Long-term obligations, net	\$ 160,191,677

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

**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, 2022:

	California Affordable Housing Initiatives, Inc.	Oakland Affordable Housing Preservation Initiatives
Operating revenues:		
Rental income	\$ -	\$ 39,374,336
Housing assistance payment revenues	760,680,285	-
Miscellaneous and other revenues	24,190,738	6,141
Total operating revenues	784,871,023	39,380,477
Operating expenses		
Program services	760,680,285	-
Management and general	16,433,898	24,532,460
Depreciation and amortization	400,513	4,720,125
Total operating expenses	777,514,696	29,252,585
Operating income	7,356,327	10,127,892
Nonoperating revenues (expenses)		
Investment income	29,734	91,180
Other nonoperating expense	-	7,005,652
Nonoperating transfers to the Housing Authority of the City of Oakland	-	(9,347,334)
Total nonoperating revenues (expenses), net	29,734	(2,250,502)
Change in net position	7,386,061	7,877,390
Net position, beginning of year	79,098,027	131,808,927
Net position, end of year	\$ 86,484,088	\$ 139,686,317

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

**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, 2022:

	California Affordable Housing Initiatives, Inc.	Oakland Affordable Housing Preservation Initiatives
Cash flows from operating activities:		
Receipts from tenants	\$ -	\$ 37,759,489
Receipts from others	790,519	6,141
Receipts from housing assistance programs	784,619,265	-
Payments to suppliers for goods and services	(16,358,669)	(27,171,888)
Housing assistance payments on behalf of tenants	(760,671,567)	-
Payments to employees for services	(510,104)	(811,541)
Total cash flows from operating activities	7,869,444	9,782,201
Cash flows from noncapital financing activities:		
Nonoperating transfers to the Housing Authority of the City of Oakland	-	(9,347,334)
Short term borrowing (repayments) from/to the Authority	-	3,772,640
Cash flows from capital and related financing activities		
Acquisition of capital assets	(341,496)	(10,495,122)
Cash flows from investing activities		
Interest income	29,734	91,180
Net change in cash and cash equivalents	7,557,682	(6,196,435)
Cash and cash equivalents, beginning of year	65,468,363	99,072,454
Cash and cash equivalents, end of year	\$ 73,026,045	\$ 92,876,019
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 7,356,327	\$ 10,127,892
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	400,513	4,720,125
Other nonoperating expense	-	(125,770)
Change in net pension and OPEB asset and pension and OPEB related deferred outflows and inflows of resources	(273,087)	(1,851,783)
(Increase) decrease in:		
Accounts receivables	66,982	(1,641,454)
Prepays and other assets	(8,749)	(40,395)
(Increase) decrease in:		
Accounts payable and other accrued liabilities	327,458	(1,433,021)
Tenant security deposits and unearned revenues	-	26,607
Net cash provided by operating activities	\$ 7,869,444	\$ 9,782,201

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

Measurement Date	2022	2021	2020	2019	2018	2017	2016	2015
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability								
Service cost	\$ 4,061,578	\$ 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	10,383,767	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	842,901	(615,849)	1,846,165	2,377,149	(1,610,353)	(1,268,669)	(421,954)	-
Benefit payments, including refunds of employee contributions	(6,901,564)	(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	8,386,682	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	145,804,614	139,016,214	129,784,993	121,215,696	109,391,440	104,058,254	99,723,306	93,276,760
Total pension liability, ending	\$ 154,191,296	\$ 145,804,614	\$ 139,016,214	\$ 129,784,993	\$ 121,215,696	\$ 109,391,440	\$ 104,058,254	\$ 99,723,306
Plan Fiduciary Net Position								
Contributions from the employer	\$ 10,930,265	\$ 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	1,807,517	1,684,068	1,668,844	1,595,254	1,491,076	1,418,382	1,403,565	1,491,558
Net investment income	32,181,936	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	(6,901,564)	(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	(137,516)	(188,144)	(90,680)	(176,635)	(152,492)	(63,244)	(116,826)	-
Net change in plan fiduciary net position	37,880,638	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	137,661,621	133,458,429	127,070,531	113,352,762	103,284,148	103,770,654	96,652,887	78,692,438
Plan fiduciary net position, ending	\$ 175,542,259	\$ 137,661,621	\$ 133,458,429	\$ 127,070,531	\$ 113,352,762	\$ 103,284,148	\$ 103,770,654	\$ 96,652,887
Plan Net Pension Liability (Asset), ending	\$ (21,350,963)	\$ 8,142,993	\$ 5,557,785	\$ 2,714,462	\$ 7,862,934	\$ 6,107,292	\$ 287,600	\$ 3,070,419
Plan fiduciary net position as a percentage of the total pension liability	113.85%	94.42%	96.00%	97.91%	93.51%	94.42%	99.72%	96.92%
Covered payroll	\$ 25,133,525	\$ 24,443,913	\$ 23,460,475	\$ 23,275,616	\$ 20,662,154	\$ 21,174,091	\$ 20,747,861	\$ 20,393,561
Plan net pension liability (asset) as a percentage of covered payroll	-84.95%	33.31%	23.69%	11.66%	38.05%	30.44%	1.31%	15.06%

* Fiscal year 2015 was the first year of implementation of GASB Statement No. 68, therefore, only eight 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/(Asset) and Related Ratios
Safety Plan
Last 10 Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Plan's proportion of the net pension liability/(asset)	-0.01879%	0.03367%	0.02643%	0.02155%	0.01293%	0.01011%	0.00153%	0.03091%
Plan's proportionate share of the net pension liability/(asset)	\$ (659,334)	\$ 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	\$ 2,879,630	\$ 2,966,000	\$ 2,968,499	\$ 3,068,536	\$ 2,814,791
Plan's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-18.71%	62.88%	52.11%	43.90%	43.25%	29.46%	3.41%	68.34%
Plan's proportionate share of the fiduciary net position as a percentage of the plan's total pension liability	86.61%	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 eight years of information is shown.

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

	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Miscellaneous Plan									
Actuarially determined contribution	\$ 2,509,707	\$ 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	(6,173,344)	(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>\$ (3,663,637)</u>	<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	<u>\$ 25,938,613</u>	<u>\$ 25,133,525</u>	<u>\$ 24,443,913</u>	<u>\$ 23,460,475</u>	<u>\$ 23,275,616</u>	<u>\$ 20,662,154</u>	<u>\$ 21,174,091</u>	<u>\$ 20,747,861</u>	<u>\$ 20,393,561</u>
Contributions as a Percentage of Covered Payroll	23.80%	45.40%	9.69%	35.25%	9.17%	14.71%	15.52%	11.25%	31.92%
Safety Plan									
Actuarially determined contribution	\$ 929,811	\$ 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	(929,811)	(1,004,863)	(935,911)	(843,538)	(750,371)	(782,591)	(735,732)	(804,888)	(238,613)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (195,561)</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 3,405,847</u>	<u>\$ 3,524,300</u>	<u>\$ 3,567,332</u>	<u>\$ 3,166,737</u>	<u>\$ 2,879,630</u>	<u>\$ 2,966,000</u>	<u>\$ 2,968,499</u>	<u>\$ 3,068,536</u>	<u>\$ 2,814,791</u>
Contributions as a Percentage of Covered Payroll	27.30%	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:

Valuation date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
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	7.15%	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 nine 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
Last 10 Years*

	2022	2021	2020	2019	2018
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability					
Service cost	\$ 1,935,883	\$ 1,879,498	\$ 2,402,438	\$ 2,288,036	\$ 2,288,036
Interest on the total OPEB liability	3,674,130	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	(5,999,655)	(19,106)	(581,543)	(10,696)	(52,619)
Changes in assumptions	(13,493,792)	22,310	(4,380,626)	-	-
Benefit payments	(2,256,228)	(2,000,009)	(1,997,093)	(1,874,180)	(1,833,461)
Net change in total OPEB liability during measurement period	(16,139,662)	3,414,471	(937,343)	3,791,897	6,037,904
Total OPEB liability, beginning	61,383,376	57,968,905	58,906,248	55,114,351	49,076,447
Total OPEB liability, ending	\$ 45,243,714	\$ 61,383,376	\$ 57,968,905	\$ 58,906,248	\$ 55,114,351
Plan Fiduciary Net Position					
Contributions from the employer	\$ 2,256,228	\$ 2,000,009	\$ 1,997,093	\$ 27,140,075	\$ 15,537,181
Net investment income	26,074,172	3,238,341	5,312,263	5,843,976	4,466,500
Administrative expenses	(35,893)	(44,777)	(1,934)	(41,304)	(23,508)
Benefit payments, including refunds of employee contributions	(2,256,228)	(2,000,009)	(1,997,093)	(1,874,180)	(1,833,461)
Net change in plan fiduciary net position	26,038,279	3,193,564	5,310,329	31,068,567	18,146,712
Plan fiduciary net position, beginning	94,852,285	91,658,721	86,348,392	55,279,825	37,133,113
Plan fiduciary net position, ending	\$ 120,890,564	\$ 94,852,285	\$ 91,658,721	\$ 86,348,392	\$ 55,279,825
Plan net OPEB liability (asset), ending	\$ (75,646,850)	\$ (33,468,909)	\$ (33,689,816)	\$ (27,442,144)	\$ (165,474)
Plan fiduciary net position as a percentage of the total OPEB liability	267.20%	154.52%	158.12%	146.59%	100.30%
Covered-employee payroll	\$ 28,992,882	\$ 25,529,477	\$ 24,554,789	\$ 25,864,264	\$ 24,365,498
Plan net OPEB liability as a percentage of covered-employee payroll	-260.92%	-131.10%	-137.20%	-106.10%	-0.68%

* Fiscal year 2018 was the first year of implementation of GASB Statement No. 75, therefore only five 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
Last 10 Years*

	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ -	\$ -	\$ 2,530,101	\$ 2,414,189	\$ 3,135,555
Contributions in relation to the actuarially determined contribution	2,020,971	2,256,228	2,000,009	27,140,075	31,695,210
Contribution deficiency (excess)	\$ (2,020,971)	\$ (2,256,228)	\$ 530,092	\$ (24,725,886)	\$ (28,559,655)
Covered-employee payroll	\$ 29,327,724	\$ 28,992,882	\$ 25,529,477	\$ 24,554,789	\$ 25,864,264
Contributions as a percentage of covered-employee payroll	6.89%	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, 2021
Measurement date	June 30, 2021
Actuarial cost method	Entry-age normal
Amortization method	Straight line
Asset valuation method	Fair value of assets
Inflation	2.50%
Projected payroll growth	2.75%
Investment rate of return	6.50%
Health Care Cost Trend Rate	4.00%
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.
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 five years of information is shown.

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OTHER SUPPLEMENTARY INFORMATION

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



Moving Forward Together

**HOUSING AUTHORITY OF THE CITY OF
OAKLAND, CALIFORNIA** Combining
Schedule of Net Position
Federal, Other Housing and General Programs
June 30, 2022

	Federal Programs	Other Housing Programs	General Programs	Eliminations	Total
Assets:					
Current assets:					
Unrestricted cash and cash equivalents	\$ 134,818,694	\$ 116,328,615	\$ 241,889	\$ -	\$ 251,389,198
Accounts receivable, net:					
U.S. Department of Housing and Urban Development	-	1,864,714	-	-	1,864,714
Tenants	1,130,061	2,762,494	3,445	-	3,896,000
Other	8,050,094	15,278,058	1,357,725	-	24,685,877
Due from other funds	20,506,717	3,337,115	1,587,574	(25,431,406)	-
Prepaid expenses	490,582	353,326	407,799	-	1,251,707
Restricted cash and cash equivalents	5,719,498	83,750,929	-	-	89,470,427
Total current assets	170,715,646	223,675,251	3,598,432	(25,431,406)	372,557,923
Noncurrent assets:					
Interest receivable	5,168,949	4,206,610	-	-	9,375,559
Notes receivable from component units	50,328,889	76,057,183	-	-	126,386,072
Notes receivable from others	15,607,891	12,776,056	-	-	28,383,947
Net pension asset	11,092,730	2,666,105	8,251,462	-	22,010,297
Net OPEB asset	40,966,305	9,044,934	25,635,611	-	75,646,850
Other noncurrent assets	1,577,599	16,983,954	1,600	-	18,563,153
Capital assets:					
Nondepreciable	51,272,543	40,878,443	549,294	-	92,700,280
Depreciable, net	7,124,932	35,775,902	12,455,929	-	55,356,763
Total capital assets	58,397,475	76,654,345	13,005,223	-	148,057,043
Total noncurrent assets	183,139,838	198,389,187	46,893,896	-	428,422,921
Total assets	353,855,484	422,064,438	50,492,328	(25,431,406)	800,980,844
Deferred outflows of resources:					
Pension related items	6,979,511	724,097	2,045,356	-	9,748,964
OPEB related items	1,171,832	247,872	617,345	-	2,037,049
Total deferred outflows of resources	8,151,343	971,969	2,662,701	-	11,786,013
Liabilities:					
Current liabilities:					
Accounts payable	2,249,830	1,756,543	1,953,567	-	5,959,940
Accrued payroll	1,461,294	-	734,035	-	2,195,329
Due to the U.S. Department of Housing and Urban Development	-	319,225	-	-	319,225
Due to other funds	4,835,532	20,595,874	-	(25,431,406)	-
Unearned revenues	2,851,252	1,157,460	-	-	4,008,712
Other accrued liabilities	3,881,113	1,304,497	107,738	-	5,293,348
Tenant security deposits	296,111	457,001	-	-	753,112
Current portion of compensated absences	228,602	59,220	15,465	-	303,287
Total current liabilities	15,803,734	25,649,820	2,810,805	(25,431,406)	18,832,953
Noncurrent liabilities:					
Compensated absences, net of current portion	632,857	126,075	462,063	-	1,220,995
Family self sufficiency deposits	676,541	-	-	-	676,541
Total noncurrent liabilities	1,309,398	126,075	462,063	-	1,897,536
Total liabilities	17,113,132	25,775,895	3,272,868	(25,431,406)	20,730,489
Deferred inflows of resources:					
Pension related items	7,998,615	2,043,807	6,590,312	-	16,632,734
OPEB related items	18,137,310	4,127,758	12,760,953	-	35,026,021
Total deferred inflows of resources	26,135,925	6,171,565	19,351,265	-	51,658,755
Net position:					
Net investment in capital assets	58,397,475	76,654,345	13,005,223	-	148,057,043
Restricted for housing programs	4,759,394	82,974,703	-	-	87,734,097
Unrestricted	255,600,901	231,459,899	17,525,673	-	504,586,473
Total net position	\$ 318,757,770	\$ 391,088,947	\$ 30,530,896	\$ -	\$ 740,377,613

**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, 2022

	Federal Programs	Other Housing Programs	General Programs	Eliminations	Total
Operating revenues:					
Rental income	\$ 4,515,997	\$ 39,374,336	\$ -	\$ -	\$ 43,890,333
Housing assistance payment revenues	307,998,670	760,680,285	-	-	1,068,678,955
Miscellaneous and other revenues	4,342,843	24,772,429	34,563,311	(30,750,154)	32,928,429
Total operating revenues	<u>316,857,510</u>	<u>824,827,050</u>	<u>34,563,311</u>	<u>(30,750,154)</u>	<u>1,145,497,717</u>
Operating expenses:					
Housing assistance payments	243,124,559	760,680,285	380,542	-	1,004,185,386
Administrative	13,210,992	1,727,360	13,934,890	-	28,873,242
Tenant services	918,130	352,787	17,083	-	1,288,000
Utilities	1,441,792	2,885,052	301,070	-	4,627,914
Maintenance and operations	4,347,640	9,806,497	2,413,085	-	16,567,222
General expenses	11,042,945	18,589,022	841,607	-	30,473,574
Depreciation and amortization	1,019,244	5,457,025	1,229,378	-	7,705,647
Overhead allocation	22,493,703	8,256,451	-	(30,750,154)	-
Total operating expenses	<u>297,599,005</u>	<u>807,754,479</u>	<u>19,117,655</u>	<u>(30,750,154)</u>	<u>1,093,720,985</u>
Operating income	<u>19,258,505</u>	<u>17,072,571</u>	<u>15,445,656</u>	<u>-</u>	<u>51,776,732</u>
Nonoperating revenues (expenses):					
Investment income	511,397	1,120,915	-	-	1,632,312
Other nonoperating revenues	15,274,588	7,131,422	-	-	22,406,010
Other nonoperating expenses	(46,159)	(135,107)	(5,287,170)	-	(5,468,436)
Total nonoperating revenues (expenses), net	<u>15,739,826</u>	<u>8,117,230</u>	<u>(5,287,170)</u>	<u>-</u>	<u>18,569,886</u>
Income before transfers	<u>34,998,331</u>	<u>25,189,801</u>	<u>10,158,486</u>	<u>-</u>	<u>70,346,618</u>
Transfers in	393,973,679	339,721	6,959,231	(401,272,631)	-
Transfers out	(379,258,104)	(9,347,334)	(12,667,193)	401,272,631	-
Change in net position	49,713,906	16,182,188	4,450,524	-	70,346,618
Net position, beginning of year	269,043,864	374,906,759	26,080,372	-	670,030,995
Net position, end of year	<u>\$ 318,757,770</u>	<u>\$ 391,088,947</u>	<u>\$ 30,530,896</u>	<u>\$ -</u>	<u>\$ 740,377,613</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, 2022

	Federal Programs	Other Housing Programs	General Programs	Eliminations	Total
Cash flows from operating activities:					
Receipts from tenants	\$ 3,935,385	\$ 38,479,349	\$ -	\$ -	\$ 42,414,734
Receipts from customers and others	3,098,621	24,300,719	34,075,038	(30,750,154)	30,724,224
Receipts from housing assistance programs	306,882,843	760,752,335	-	-	1,067,635,178
Payments for interfund services used	(22,493,703)	(8,256,451)	-	30,750,154	-
Payments to suppliers for goods and services	(16,024,613)	(32,682,525)	(7,801,103)	-	(56,508,241)
Housing assistance payments on behalf of tenants	(243,154,159)	(760,361,545)	(380,542)	-	(1,003,896,246)
Payments to employees for services	(25,507,305)	(4,086,378)	(19,136,613)	-	(48,730,296)
Net cash provided by operating activities	<u>6,737,069</u>	<u>18,145,504</u>	<u>6,756,780</u>	<u>-</u>	<u>31,639,353</u>
Cash flows from noncapital financing activities:					
Transfers in	393,973,679	339,721	6,959,231	(401,272,631)	-
Transfers out	(379,258,104)	(9,347,334)	(12,667,193)	401,272,631	-
Other operating grants received	15,274,588	-	-	-	15,274,588
Net disbursement of loans to other programs	(3,030,835)	-	(650,083)	3,680,918	-
Net receipts of loans from other programs	-	3,680,918	-	(3,680,918)	-
Net receipts (disbursements) of loans to related parties and component units	<u>(6,240,676)</u>	<u>159,281</u>	<u>-</u>	<u>-</u>	<u>(6,081,395)</u>
Net cash provided by (used in) noncapital financing activities	<u>20,718,652</u>	<u>(5,167,414)</u>	<u>(6,358,045)</u>	<u>-</u>	<u>9,193,193</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	<u>(3,758,766)</u>	<u>(10,836,617)</u>	<u>(475,237)</u>	<u>-</u>	<u>(15,070,620)</u>
Cash flows from investing activities:					
Interest received	194,359	356,792	-	-	551,151
Net change in cash and cash equivalents	23,891,314	2,498,265	(76,502)	-	26,313,077
Cash and cash equivalents, beginning of year	116,646,878	197,581,279	318,391	-	314,546,548
Cash and cash equivalents, end of year	<u>\$ 140,538,192</u>	<u>\$ 200,079,544</u>	<u>\$ 241,889</u>	<u>\$ -</u>	<u>\$ 340,859,625</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, 2022

	Federal Programs	Other Housing Programs	General Programs	Eliminations	Total
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 19,258,505	\$ 17,072,571	\$ 15,445,656	\$ -	\$ 51,776,732
Adjustment to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	1,019,244	5,457,025	1,229,378	-	7,705,647
Other expenses	(46,159)	(135,107)	(5,287,170)	-	(5,468,436)
Other revenues	-	7,131,422	-	-	7,131,422
Change in net pension and OPEB assets and related deferred outflows and inflows of resources	(12,463,966)	(2,324,156)	(5,175,895)	-	(19,964,017)
Decrease (increase) in:					
Receivables	(1,552,157)	(8,452,675)	(488,273)	-	(10,493,105)
Prepaid expenses	191,078	(80,666)	(101,102)	-	9,310
Other noncurrent assets	12,939	206,979	-	-	219,918
Increase (decrease) in:					
Accounts payable	337,324	(1,469,205)	1,263,428	-	131,547
Accrued payroll	316,212	-	157,066	-	473,278
Due to the U.S. Department of Housing and Urban Development	(29,600)	318,740	-	-	289,140
Tenant security deposits	(204,173)	16,173	-	-	(188,000)
Unearned revenues	(1,184,331)	10,433	-	-	(1,173,898)
Compensated absences	(148,559)	(34,862)	(182,894)	-	(366,315)
Other liabilities	1,230,712	428,832	(103,414)	-	1,556,130
Net cash provided by operating activities	<u>\$ 6,737,069</u>	<u>\$ 18,145,504</u>	<u>\$ 6,756,780</u>	<u>\$ -</u>	<u>\$ 31,639,353</u>
Cash and cash equivalents:					
Unrestricted cash and cash equivalents	\$ 134,818,694	\$ 116,328,615	\$ 241,889	\$ -	\$ 251,389,198
Restricted cash and cash equivalents	5,719,498	83,750,929	-	-	89,470,427
Total cash and cash equivalents	<u>\$ 140,538,192</u>	<u>\$ 200,079,544</u>	<u>\$ 241,889</u>	<u>\$ -</u>	<u>\$ 340,859,625</u>

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

Combining Schedule of Net Position

Federal Programs

June 30, 2022

	Section 8				
	Low Rent Housing Program	Substantial and Moderate Rehabilitation	Housing Choice Vouchers	Moving To Work	Mainstream Vouchers
Assets:					
Current assets:					
Unrestricted cash and cash equivalents	\$ 19,833,792	\$ 1,241,083	\$ 3,688,407	\$ 98,148,033	\$ 429,401
Accounts receivable, net:					
Tenants	1,128,561	-	1,500	-	-
Other	271,969	4,520	5,432,556	483,132	8,342
Due from other funds	9,714	-	221,509	20,272,725	2,769
Prepaid expenses	198,374	-	94,272	197,936	-
Restricted cash and cash equivalents	2,124,097	-	906,958	2,683,729	4,714
Total current assets	23,566,507	1,245,603	10,345,202	121,785,555	445,226
Noncurrent assets:					
Interest receivable	3,128,421	-	-	254,959	-
Notes receivable from component units	13,438,861	-	-	1,334,514	-
Notes receivable from others	-	-	-	15,607,891	-
Net pension asset	1,609,060	-	8,243,791	1,239,879	-
Net OPEB asset	6,924,989	-	23,262,469	10,778,847	-
Other noncurrent assets	-	-	-	1,577,599	-
Capital assets:					
Nondepreciable	32,498,747	-	-	18,773,796	-
Depreciable, net	3,508,702	-	1,649,420	1,966,810	-
Total capital assets	36,007,449	-	1,649,420	20,740,606	-
Total noncurrent assets	61,108,780	-	33,155,680	51,534,295	-
Total assets	84,675,287	1,245,603	43,500,882	173,319,850	445,226
Deferred outflows of resources:					
Pension related items	370,356	-	1,912,959	4,696,196	-
OPEB related items	705,893	-	453,464	12,475	-
Total deferred outflows of resources	1,076,249	-	2,366,423	4,708,671	-
Liabilities:					
Current liabilities:					
Accounts payable	219,535	60,505	1,726,839	145,624	95,008
Accrued payroll	200,880	-	572,092	668,552	-
Due to other funds	-	477,706	1,141,185	322,154	633,483
Unearned revenues	129,949	4,523	32,787	2,683,729	264
Other accrued liabilities	728,658	-	1,621,235	1,528,543	2,677
Tenant security deposits	292,528	-	3,583	-	-
Current portion of compensated absences	4,148	-	124,597	95,545	378
Total current liabilities	1,575,698	542,734	5,222,318	5,444,147	731,810
Noncurrent liabilities:					
Compensated absence, net of current portion	89,562	-	300,707	240,439	2,149
Family self sufficiency deposits	12,548	-	659,279	-	4,714
Total noncurrent liabilities	102,110	-	959,986	240,439	6,863
Total liabilities	1,677,808	542,734	6,182,304	5,684,586	738,673
Deferred inflows of resources:					
Pension related items	1,251,436	-	5,857,242	863,503	26,434
OPEB related items	2,995,102	-	10,157,744	4,984,464	-
Total deferred inflows of resources	4,246,538	-	16,014,986	5,847,967	26,434
Net position:					
Net investment in capital assets	36,007,449	-	1,649,420	20,740,606	-
Restricted for housing programs	1,831,569	-	244,096	2,683,729	-
Unrestricted	41,988,172	702,869	21,776,499	143,071,633	(319,881)
Total net position	\$ 79,827,190	\$ 702,869	\$ 23,670,015	\$ 166,495,968	\$ (319,881)

HOPE VI	Family Self Sufficiency	Shelter Plus Care	Total
\$ 11,289,616	\$ 32,467	\$ 155,895	\$ 134,818,694
-	-	-	1,130,061
-	-	1,849,575	8,050,094
-	-	-	20,506,717
-	-	-	490,582
-	-	-	5,719,498
<u>11,289,616</u>	<u>32,467</u>	<u>2,005,470</u>	<u>170,715,646</u>
1,785,569	-	-	5,168,949
35,555,514	-	-	50,328,889
-	-	-	15,607,891
-	-	-	11,092,730
-	-	-	40,966,305
-	-	-	1,577,599
-	-	-	51,272,543
-	-	-	7,124,932
-	-	-	58,397,475
<u>37,341,083</u>	<u>-</u>	<u>-</u>	<u>183,139,838</u>
<u>48,630,699</u>	<u>32,467</u>	<u>2,005,470</u>	<u>353,855,484</u>
-	-	-	6,979,511
-	-	-	1,171,832
-	-	-	8,151,343
-	288	2,031	2,249,830
-	19,770	-	1,461,294
42,125	8,475	2,210,404	4,835,532
-	-	-	2,851,252
-	-	-	3,881,113
-	-	-	296,111
-	3,934	-	228,602
<u>42,125</u>	<u>32,467</u>	<u>2,212,435</u>	<u>15,803,734</u>
-	-	-	632,857
-	-	-	676,541
-	-	-	1,309,398
<u>42,125</u>	<u>32,467</u>	<u>2,212,435</u>	<u>17,113,132</u>
-	-	-	7,998,615
-	-	-	18,137,310
-	-	-	26,135,925
-	-	-	58,397,475
-	-	-	4,759,394
<u>48,588,574</u>	<u>-</u>	<u>(206,965)</u>	<u>255,600,901</u>
<u>\$ 48,588,574</u>	<u>\$ -</u>	<u>\$ (206,965)</u>	<u>\$ 318,757,770</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, 2022

	Section 8				
	Low Rent Housing Program	Substantial and Moderate Rehabilitation	Housing Choice Vouchers	Moving To Work	Mainstream Vouchers
Operating revenues:					
Rental income	\$ 4,515,997	\$ -	\$ -	\$ -	\$ -
Housing assistance payment revenues	-	1,326,992	10,545,657	292,793,404	3,332,617
Miscellaneous and other revenues	112,332	-	2,733,995	1,496,516	-
Total operating revenues	<u>4,628,329</u>	<u>1,326,992</u>	<u>13,279,652</u>	<u>294,289,920</u>	<u>3,332,617</u>
Operating expenses:					
Housing assistance payments	12,546	964,797	233,987,498	-	3,355,303
Administrative	1,790,981	-	10,926,862	138,275	9,074
Tenant services	294,916	-	611,772	11,442	-
Utilities	1,441,792	-	-	-	-
Maintenance and operations	4,152,570	-	186,969	8,101	-
General expenses	3,315,947	-	758,891	6,942,908	-
Depreciation and amortization	639,631	-	174,612	205,001	-
Overhead allocation	9,036,347	276,168	8,854,260	3,337,228	395,841
Total operating expenses	<u>20,684,730</u>	<u>1,240,965</u>	<u>255,500,864</u>	<u>10,642,955</u>	<u>3,760,218</u>
Operating income (loss)	<u>(16,056,401)</u>	<u>86,027</u>	<u>(242,221,212)</u>	<u>283,646,965</u>	<u>(427,601)</u>
Nonoperating revenues (expenses):					
Investment income	171,752	-	123	161,089	-
Other nonoperating revenue	-	-	-	9,824,634	-
Other nonoperating expenses	(46,159)	-	-	-	-
Total nonoperating revenues, net	<u>125,593</u>	<u>-</u>	<u>123</u>	<u>9,985,723</u>	<u>-</u>
Income (loss) before transfers	<u>(15,930,808)</u>	<u>86,027</u>	<u>(242,221,089)</u>	<u>293,632,688</u>	<u>(427,601)</u>
Transfers in	31,954,866	-	281,105,436	79,987,154	440,597
Transfers out	(2,854,680)	-	(31,762,559)	(344,539,434)	-
Change in net position	13,169,378	86,027	7,121,788	29,080,408	12,996
Net position, beginning of year	66,657,812	616,842	16,548,227	137,415,560	(332,877)
Net position, end of year	<u>\$ 79,827,190</u>	<u>\$ 702,869</u>	<u>\$ 23,670,015</u>	<u>\$ 166,495,968</u>	<u>\$ (319,881)</u>

HOPE VI	Family Self Sufficiency	Shelter Plus Care	Total
\$ -	\$ -	\$ -	\$ 4,515,997
-	-	-	307,998,670
-	-	-	4,342,843
-	-	-	316,857,510
-	-	4,804,415	243,124,559
-	345,800	-	13,210,992
-	-	-	918,130
-	-	-	1,441,792
-	-	-	4,347,640
-	25,199	-	11,042,945
-	-	-	1,019,244
-	-	593,859	22,493,703
-	370,999	5,398,274	297,599,005
-	(370,999)	(5,398,274)	19,258,505
178,433	-	-	511,397
-	354,542	5,095,412	15,274,588
-	-	-	(46,159)
178,433	354,542	5,095,412	15,739,826
178,433	(16,457)	(302,862)	34,998,331
-	485,626	-	393,973,679
-	(101,431)	-	(379,258,104)
178,433	367,738	(302,862)	49,713,906
48,410,141	(367,738)	95,897	269,043,864
\$ 48,588,574	\$ -	\$ (206,965)	\$ 318,757,770

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Combining Schedule of Net Position
Other Housing Programs
June 30, 2022

	<u>OHA Other</u>	<u>CAHI</u>	<u>OAHPI</u>	<u>Total</u>
Assets:				
Current assets:				
Unrestricted cash and cash equivalents	\$ 34,147,702	\$ 72,706,820	\$ 9,474,093	\$ 116,328,615
Accounts receivable, net:				
U.S. Department of Housing and Urban Development	-	1,864,714	-	1,864,714
Tenants	-	-	2,762,494	2,762,494
Other	173,335	-	15,104,723	15,278,058
Due from other funds	3,333,880	3,235	-	3,337,115
Prepaid expenses	32,013	81,133	240,180	353,326
Restricted cash and cash equivalents	29,778	319,225	83,401,926	83,750,929
Total current assets	37,716,708	74,975,127	110,983,416	223,675,251
Noncurrent assets:				
Interest receivable	4,206,610	-	-	4,206,610
Notes receivable from component units	76,057,183	-	-	76,057,183
Notes receivable from others	12,776,056	-	-	12,776,056
Net pension asset	-	70,775	2,595,330	2,666,105
Net OPEB asset	-	294,645	8,750,289	9,044,934
Other noncurrent assets	16,983,954	-	-	16,983,954
Capital assets:				
Nondepreciable	29,609,785	5,138,428	6,130,230	40,878,443
Depreciable, net	2,215,859	7,925,852	25,634,191	35,775,902
Total capital assets	31,825,644	13,064,280	31,764,421	76,654,345
Total noncurrent assets	141,849,447	13,429,700	43,110,040	198,389,187
Total assets	179,566,155	88,404,827	154,093,456	422,064,438
Deferred outflows of resources:				
Pension related items	-	46,596	677,501	724,097
OPEB related items	-	25,426	222,446	247,872
Total deferred outflows of resources	-	72,022	899,947	971,969
Liabilities:				
Current liabilities:				
Accounts payable	122	1,242,070	514,351	1,756,543
Due to the U.S. Department of Housing and Urban Development	-	319,225	-	319,225
Due to other funds	14,645,837	173,870	5,776,167	20,595,874
Unearned revenues	-	-	1,157,460	1,157,460
Other accrued liabilities	1,654	45,000	1,257,843	1,304,497
Tenant security deposits	-	-	457,001	457,001
Current portion of compensated absences	-	4,033	55,187	59,220
Total current liabilities	14,647,613	1,784,198	9,218,009	25,649,820
Noncurrent liabilities:				
Compensated absences, net of current portion	-	8,017	118,058	126,075
Total liabilities	14,647,613	1,792,215	9,336,067	25,775,895
Deferred inflows of resources:				
Pension related items	-	74,538	1,969,269	2,043,807
OPEB related items	-	126,008	4,001,750	4,127,758
Total deferred inflows of resources	-	200,546	5,971,019	6,171,565
Net position:				
Net investment in capital assets	31,825,644	13,064,280	31,764,421	76,654,345
Restricted for housing programs	29,778	-	82,944,925	82,974,703
Unrestricted	133,063,120	73,419,808	24,976,971	231,459,899
Total net position	\$ 164,918,542	\$ 86,484,088	\$ 139,686,317	\$ 391,088,947

**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, 2022

	OHA Other	CAHI	OAHPI	Total
Operating revenues:				
Rental income	\$ -	\$ -	\$ 39,374,336	\$ 39,374,336
Housing assistance payment revenues	-	760,680,285	-	760,680,285
Miscellaneous and other revenues	575,550	24,190,738	6,141	24,772,429
Total operating revenues	<u>575,550</u>	<u>784,871,023</u>	<u>39,380,477</u>	<u>824,827,050</u>
Operating expenses:				
Housing assistance payments	-	760,680,285	-	760,680,285
Administrative	617,120	480,304	629,936	1,727,360
Tenant services	-	-	352,787	352,787
Utilities	-	-	2,885,052	2,885,052
Maintenance and operations	2,746	50,311	9,753,440	9,806,497
General expenses	5,694	15,831,641	2,751,687	18,589,022
Depreciation and amortization	336,387	400,513	4,720,125	5,457,025
Overhead allocation	25,248	71,641	8,159,562	8,256,451
Total operating expenses	<u>987,195</u>	<u>777,514,695</u>	<u>29,252,589</u>	<u>807,754,479</u>
Operating income (loss)	<u>(411,645)</u>	<u>7,356,328</u>	<u>10,127,888</u>	<u>17,072,571</u>
Nonoperating revenues (expenses):				
Investment income	1,000,000	29,734	91,181	1,120,915
Other nonoperating revenues	-	-	7,131,422	7,131,422
Other nonoperating expenses	(9,340)	-	(125,767)	(135,107)
Total nonoperating revenues (expenses)	<u>990,660</u>	<u>29,734</u>	<u>7,096,836</u>	<u>8,117,230</u>
Income before transfers	<u>579,015</u>	<u>7,386,062</u>	<u>17,224,724</u>	<u>25,189,801</u>
Transfers in	339,721	-	-	339,721
Transfers out	-	-	(9,347,334)	(9,347,334)
Change in net position	<u>918,736</u>	<u>7,386,062</u>	<u>7,877,390</u>	<u>16,182,188</u>
Net position, beginning of year	<u>163,999,806</u>	<u>79,098,026</u>	<u>131,808,927</u>	<u>374,906,759</u>
Net position, end of year	<u>\$ 164,918,542</u>	<u>\$ 86,484,088</u>	<u>\$ 139,686,317</u>	<u>\$ 391,088,947</u>

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Supplementary Information
For the Year Ended June, 30 2022

Below is the Schedule of Annual Contribution Contracts for the Capital Fund Program (CFP) that were open as of June 30, 2022.

Project Number	Funds Approved	Funds Expended										Total Funds Expended	Balance of Funds Approved	
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022			
Capital Fund Program (CFP)														
CA39P003501-08	\$ 4,141,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,141,929	\$ -
CA39P003501-09	8,468,472	961,449	-	-	-	-	-	-	-	-	-	-	8,468,472	-
CA39P003501-10	8,224,164	4,766,132	3,458,032	-	-	-	-	-	-	-	-	-	8,224,164	-
CA39P003501-11	3,013,514	-	2,608,424	405,090	-	-	-	-	-	-	-	-	3,013,514	-
CA39P003501-12	2,777,224	-	2,777,224	-	-	-	-	-	-	-	-	-	2,777,224	-
CA39P003501-13	2,400,278	-	2,400,278	-	-	-	-	-	-	-	-	-	2,400,278	-
CA39P003501-14	2,799,312	-	539,038	2,260,274	-	-	-	-	-	-	-	-	2,799,312	-
CA39P003501-15	2,947,369	-	-	683,447	-	2,263,922	-	-	-	-	-	-	2,947,369	-
CA01P003501-16	6,513,733	-	-	-	-	-	-	6,513,733	-	-	-	-	6,513,733	-
CA01P003501-17	6,515,300	-	-	-	-	-	6,515,300	-	-	-	-	-	6,515,300	-
CA01P003501-18	9,544,680	-	-	-	-	-	-	-	9,544,680	-	-	-	9,544,680	-
CA01P003501-19	9,824,634	-	-	-	-	-	-	-	-	9,824,634	-	-	9,824,634	-
CA01P003501-20	10,288,343	-	-	-	-	-	-	-	-	-	10,288,343	-	10,288,343	-
CA01P003501-21	4,767,202	-	-	-	-	-	-	-	-	-	-	-	-	4,767,202
CA01P003501-22	5,691,287	-	-	-	-	-	-	-	-	-	-	-	-	5,691,287
Total CFP	<u>\$ 87,917,441</u>	<u>\$ 5,727,581</u>	<u>\$ 11,782,996</u>	<u>\$ 3,348,811</u>	<u>\$ -</u>	<u>\$ 2,263,922</u>	<u>\$ 6,515,300</u>	<u>\$ 6,513,733</u>	<u>\$ 9,544,680</u>	<u>\$ 9,824,634</u>	<u>\$ 10,288,343</u>	<u>\$ 77,458,952</u>	<u>\$ 10,458,489</u>	

STATISTICAL SECTION

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



Moving Forward Together

**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)

Fiscal Year	Net Investment in Capital Assets	Restricted	Unrestricted	Total
2022	\$ 148,057	\$ 87,734	\$ 504,586	\$ 740,377
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

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

Source: Department of Finance

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating revenues:										
Rental income	\$ 20,164	\$ 22,592	\$ 25,023	\$ 25,831	\$ 30,909	\$ 35,236	\$ 39,993	\$ 40,821	\$ 43,248	\$ 43,890
Housing assistance payment revenues and fees	613,081	618,216	663,162	674,038	739,486	912,452	879,706	958,683	1,027,388	1,068,679
Miscellaneous and other	17,119	12,133	20,257	16,629	25,066	5,312	24,641	26,087	28,839	32,928
Total operating revenues	650,364	652,941	708,442	716,498	795,461	953,000	944,340	1,025,591	1,099,475	1,145,497
Operating expenses:										
Housing assistance payments	544,072	568,064	598,650	630,173	705,990	769,677	826,947	902,293	965,534	1,004,185
Administrative	41,516	28,043	40,680	45,168	36,900	33,887	33,201	45,543	41,689	28,873
Tenant services	780	1,152	1,303	1,687	1,368	710	1,444	1,240	1,225	1,288
Utilities	2,826	3,161	3,379	3,491	3,776	4,014	4,168	4,144	4,687	4,628
Maintenance and operations	24,748	15,855	15,443	15,362	15,864	16,867	16,144	19,574	18,493	16,567
General expenses	11,506	12,401	11,212	12,525	23,044	24,967	26,869	27,219	28,699	30,474
Depreciation and amortization	9,691	8,449	8,271	9,325	9,337	9,463	7,457	7,260	6,763	7,706
Total operating expenses	635,139	637,125	678,938	717,731	796,279	859,585	916,230	1,007,273	1,067,090	1,093,721
Operating income	15,225	15,816	29,504	(1,233)	(818)	93,415	28,110	18,318	32,385	51,776
Nonoperating revenues (expenses):										
Investment income	446	453	625	642	697	700	4,117	3,810	1,474	1,632
Gain (loss) on disposal of capital assets	2,854	(3)	576	2,931	4,405	10	4	49,954	-	-
Other nonoperating revenues	2,801	3,286	8,645	3,946	11,825	13,498	12,717	12,588	16,110	22,407
Other nonoperating expenses	(93)	(587)	(122)	(31)	(85)	-	(28)	(376)	(944)	(5,468)
Total nonoperating revenues (expenses)	6,008	3,149	9,724	7,488	16,842	14,208	16,810	65,976	16,640	18,571
Income before capital contributions	21,233	18,965	39,228	6,255	16,024	107,623	44,920	84,294	49,025	70,347
Capital contributions	7,154	19,863	-	-	-	-	-	-	-	-
Change in net position	28,387	38,828	39,228	6,255	16,024	107,623	44,920	84,294	49,025	70,347
Net position, beginning of year, as previously reported	290,673	319,060	357,888	371,125	377,380	393,404	491,792	536,712	621,006	670,031
Prior period adjustments	-	-	(25,991)	-	-	(9,235)	-	-	-	-
Net position, beginning of year, as restated	290,673	319,060	331,897	371,125	377,380	384,169	491,792	536,712	621,006	670,031
Net position, end of year	\$ 319,060	\$ 357,888	\$ 371,125	\$ 377,380	\$ 393,404	\$ 491,792	\$ 536,712	\$ 621,006	\$ 670,031	\$ 740,378

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

Source: Department of Finance

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

Fiscal Year	Rental Income		Housing Assistance Pay- ment Revenues and Fees		Miscellaneous and Other		Total	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
2022	\$ 43,890	4%	\$ 1,068,679	93%	\$ 32,928	3%	\$ 1,145,497	100%
2021	43,248	4%	1,027,388	93%	28,839	3%	1,099,475	100%
2020	40,821	4%	958,683	93%	26,087	3%	1,025,591	100%
2019	39,993	4%	879,706	93%	24,641	3%	944,340	101%
2018	35,236	4%	912,452	96%	5,312	1%	953,000	100%
2017	30,909	4%	739,486	93%	25,066	3%	795,461	100%
2016	25,831	4%	674,038	94%	16,629	2%	716,498	100%
2015	25,023	4%	663,162	94%	20,257	3%	708,442	100%
2014	22,592	3%	618,216	95%	12,133	2%	652,941	100%
2013	20,164	3%	613,081	94%	17,119	3%	650,364	100%

Source: Department of Finance

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

Nonoperating Revenues by Source - Last Ten Years (Unaudited)
(\$ in Thousands)

Fiscal Year	Investment Income		Other Nonoperating		Total	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
2022	\$ 1,632	7%	\$ 22,407	93%	\$ 24,039	100%
2021	1,474	8%	16,110	92%	17,584	100%
2020	3,810	6%	62,542	94%	66,352	100%
2019	4,117	24%	12,721	76%	16,838	100%
2018	700	5%	13,508	95%	14,208	100%
2017	697	4%	16,230	96%	16,927	100%
2016	642	9%	6,877	91%	7,519	100%
2015	625	6%	9,221	94%	9,846	100%
2014	453	12%	3,283	88%	3,736	100%
2013	446	7%	5,655	93%	6,101	100%

Source: Department of Finance

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues ⁽¹⁾	\$ 650,810	\$ 653,394	\$ 709,067	\$ 717,140	\$ 796,158	\$ 953,700	\$ 948,457	\$ 1,029,401	\$ 1,100,950	\$ 1,169,536
Operating expenses (excluding depreciation)	625,448	628,676	670,667	708,406	786,942	850,122	908,773	1,000,013	1,060,327	1,086,015
Revenues available for debt service	25,362	24,718	38,400	8,734	9,216	103,578	39,684	29,388	40,623	83,521
Debt service requirements:										
Principal	29	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total debt service	29	-	-	-	-	-	-	-	-	-
Debt service coverage	875	-	-	-	-	-	-	-	-	-

Note: (1) Revenues include operating revenues, other nonoperating revenues, 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)

Fiscal Year	Long-Term Debt			Capital Assets, Net	Ratio of Total Debt to Capital Assets
	Current Portion	Noncurrent Portion	Total		
2022	\$ -	\$ -	\$ -	\$ 148,057	0.00%
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%

Source: Department of Finance

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

Demographic and Economic Statistics - Last Ten Years (Unaudited)

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2022	424,464	\$ 48,009,903	\$ 111,050	36.2	46,600	3.5%
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	10.5%
2019	432,897	45,360,302	91,459	36.2	50,202	3.4%
2018	428,750	43,094,688	100,236	36.2	50,231	3.5%
2017	427,493	39,944,451	93,165	36.5	49,760	4.2%
2016	424,717	37,289,279	87,228	36.2	49,098	4.9%
2015	419,490	35,098,292	82,639	36.2	48,077	5.9%
2014	414,065	32,030,179	76,355	36.4	47,194	7.3%
2013	409,180	29,504,121	71,255	36.6	46,486	9.0%

Source City of Oakland 2022 Annual Comprehensive Financial Report.

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

Principal Employers in Oakland
Current Year and Nine Years Ago

Employer	2022			2013		
	Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% of Total Employment
Kaiser Permanente/Kaiser Foundation	11,500+	1	5.7%	10,914	1	5.8%
County of Alameda	8,000 +	2	4.0%	6,218	4	3.3%
Oakland Unified School District	5,000+	3	2.5%	7,664	2	4.1%
City of Oakland	4,000+	4	2.0%	5,082	5	2.7%
State of California	3,500+	5	1.7%	7,480	3	4.0%
San Francisco Bart District	3,500+	6	1.7%			
United Parcel Service	2,500+	7	1.3%			
Alameda County Medical Center	2,500+	8	1.2%			
Southwest Airlines	2,000+	9	1.0%	2,100	9	1.1%
Children's Hospital & Research Center	2,000+	10	1.0%	2,600	7	1.4%
Alta-Bates Summit Medical Center				3,623	6	1.9%
Peralta Community College District				1,420	10	0.8%
Internal Revenue Service				2,500	8	1.3%
Total, Ten Largest Employers	44,500+			49,601		

Source: City of Oakland 2022 Annual Comprehensive Financial Report

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Category:										
Land	\$ 65,679	\$ 67,069	\$ 67,319	\$ 67,863	\$ 67,748	\$ 77,757	\$ 79,985	\$ 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	12,715
Buildings and improvements	256,964	258,761	269,564	284,319	289,128	296,502	301,415	299,268	313,370	323,996
Equipment and vehicles	5,473	5,700	7,478	9,769	10,240	11,062	11,194	11,520	13,300	14,872
Total capital assets, gross	332,254	340,621	353,488	365,063	370,337	387,525	399,438	405,127	416,497	431,568
Less accumulated depreciation	(221,664)	(229,884)	(238,105)	(246,996)	(255,028)	(264,269)	(271,182)	(269,582)	(275,805)	(283,511)
Total capital assets, net	110,590	110,737	115,383	118,067	115,309	123,256	128,256	135,545	140,692	148,057
Related debt	147	-	-	-	-	-	-	-	-	-
Net investment in capital assets	\$ 110,737	\$ 115,383	\$ 115,383	\$ 118,067	\$ 115,309	\$ 123,256	\$ 128,256	\$ 135,545	\$ 140,692	\$ 148,057

Source: Department of Finance

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

Department	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Executive Office	7	9	10	9	8	8	8	8	12	12
Office of Program Administration	3	3	2	1	-	-	-	-	-	-
Family and Community Partnerships	14	15	17	14	18	21	25	25	25	25
Finance	20	21	20	20	20	20	21	21	21	21
Information Technology	11	11	11	11	11	10	11	11	11	11
Contract Compliance & General Services	8	9	8	8	9	8	7	7	7	7
Human Resources	8	8	8	8	8	8	8	8	9	9
California Affordable Housing Initiatives	1	1	1	1	1	1	1	1	1	1
Office of Real Estate Development	8	8	8	7	6	6	7	7	7	7
Leased Housing	90	90	87	90	90	92	97	97	97	97
Office of Property Operations	157	152	154	157	155	152	146	146	141	141
Police	45	45	45	45	45	45	45	45	45	45
TOTAL	372	372	371	371	371	371	376	376	376	376

Source: Department of Finance

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

Program	Number of Units									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
PUBLIC HOUSING										
Large Family Sites										
Campbell Village	154	154	154	154	154	154	154	154	154	154
Lockwood Gardens	371	372	372	372	372	372	372	372	372	372
Peralta Villa	390	390	390	390	390	390	390	390	390	390
	<u>915</u>	<u>916</u>								
Designated Senior Sites										
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	-	-	-
Oak Grove South (2)	75	75	75	75	75	75	75	-	-	-
Palo Vista Gardens	100	100	100	100	100	100	100	100	100	100
	<u>383</u>	<u>383</u>	<u>383</u>	<u>383</u>	<u>383</u>	<u>383</u>	<u>383</u>	<u>231</u>	<u>231</u>	<u>231</u>
HOPE VI Sites (Public Housing Units Only)										
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>	<u>307</u>	<u>307</u>	<u>307</u>	<u>307</u>	<u>307</u>	<u>307</u>	<u>307</u>	<u>307</u>	<u>307</u>
TOTAL PUBLIC HOUSING	1,605	1,606	1,606	1,606	1,606	1,606	1,606	1,454	1,454	1,454
HOUSING CHOICE VOUCHER PROGRAM										
Moving to Work (MTW)										
General MTW Housing Choice Vouchers (1)	12,687	12,805	12,814	12,858	12,866	12,866	12,874	12,866	13,107	13,107
Non-MTW										
Section 8 Mod Rehab	320	259	251	251	251	251	251	143	143	143
Section 8 Mainstream	175	175	175	175	175	175	175	212	212	212
Veterans Affairs Supportive Housing	265	265	326	326	326	396	396	396	396	526
Family Unification Program	50	50	50	50	50	50	50	101	51	99
Non-Elderly Disabled Vouchers	-	-	-	65	65	65	65	85	85	85
Tenant Protection Vouchers	118	9	-	-	-	-	-	141	141	141
	<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>	<u>1,206</u>
TOTAL HOUSING CHOICE VOUCHERS	13,615	13,563	13,616	13,725	13,733	13,803	13,811	13,944	14,135	14,313
SHELTER PLUS CARE PROGRAM	237	296	333	331						
TOTAL INVENTORY	15,457	15,465	15,555	15,662	15,670	15,740	15,748	15,729	15,920	16,098

(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, 2013-2022

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

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

Program	Number of Households									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Housing	3,236	4,288	11,612	12,441	3,203	3,397	6,687	4,977	2,089	5,894
Section 8 Vouchers										
General, Mainsteam, and Mod Rehab	10,489	9,334	7,557	7,048	3,200	3,500	1,912	2,500	2,217	1,617
OAHPI Scattered Sites	6,253	3,071	2,997	2,031	4,050	3,200	562	218	367	1,000
Other Project Based Voucher Sites*	10,561	15,428	17,291	17,033	28,848	35,649	36,576	36,035	45,344	36,384
Shelter Plus Care	56	56	59	59	(1)	(1)	(1)	(1)	(1)	(1)
Subtotal - Section 8 Vouchers	27,359	27,889	27,904	26,171	36,098	42,349	39,050	38,753	47,928	39,000
HOPE VI Sites	1,550	1,819	2,101	1,718	921	905	(2)	(2)	(2)	(2)
Parents and Children Together (PACT) Program	(1)	(1)	(1)	(1)	(1)	5	3	3	3	12
Total	32,145	33,996	41,617	40,330	40,222	46,656	45,740	43,733	50,020	44,904

(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, 2013-2022, and Authority Records

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

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

Development	Number of Units									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Large Public Housing										
Lockwood Gardens	1,931	1,952	1,910	1,616	1,814	2,321	2,317	2,084	2,135	2,920
Peralta Village	2,444	2,721	1,195	1,497	2,978	2,988	2,943	2,929	2,432	2,607
Palo Vista Gardens*	130	*	*	*	*	*	*	*	*	*
Subtotal	4,505	4,673	3,105	3,113	4,792	5,309	5,260	5,013	4,567	5,527
Scattered Sites										
Deep East	1,167	1,670	1,666	1,278	1,473	1,947	2,225	1,936	1,851	1,828
East Oakland	1,282	1,458	1,697	1,344	1,416	1,533	1,910	1,745	1,992	1,725
Fruitvale	1,408	1,834	2,444	2,109	1,359	1,316	1,997	1,803	2,101	2,552
San Antonio	1,510	1,636	1,449	1,552	1,187	1,315	1,560	1,347	1,714	1,841
West Oakland	1,421	1,234	1,251	1,402	1,441	1,399	1,326	1,108	1,765	2,062
North Oakland	1,490	1,656	1,285	1,109	1,481	1,401	1,427	1,102	1,467	1,824
Subtotal	8,278	9,488	9,792	8,794	8,357	8,911	10,445	9,041	10,890	11,832
Total	12,783	14,161	12,897	11,907	13,149	14,220	15,705	14,054	15,457	17,359

* 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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
OHA Police Department Calls for Service (1)										
Number of Incidents	16,870	20,725	21,330	18,310	19,532	13,421	16,983	25,167	26,744	24,959
OHA Police Department Reported UCR Part 1 Crimes (2)										
Number of Offenses	834	891	620	636	533	521	543	793	817	935
OHA Police Department Parking Enforcement Revenue										
Number of Citations	2,853	4,640	4,342	6,479	4,329	4,002	4,038	5,453	4,814	3,003
Revenue	\$ 45,115	\$ 47,086	\$ 234,382	\$ 68,359	\$ 78,274	\$ 80,978	\$ 81,706	\$ 100,194	\$ 86,442	\$ 40,599
OHA Police Department Fraud Recovery Revenue										
Repayment Agreements	\$ 802,127	\$ 399,500	\$ 82,474	\$ 65,926	\$ 124,285	\$ 159,485	\$ 212,053	\$ 148,501	\$ 61,803	\$ 91,163
Recovered Funds	\$ 317,489	\$ 300,596	\$ 234,382	\$ 213,268	\$ 139,489	\$ 177,246	\$ 172,745	\$ 157,584	\$ 72,858	\$ 69,200

(1) Calls for service represents all communication incidents with the OHA PD Communications Center, including calls for service, communications from OHA PD officers in the field, 911 calls, etc.

(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

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Property Characteristics and Dwelling Unit Composition (Unaudited)
June 30, 2022

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
Total Public Housing Units		1,147

Source: Appendix E, MTW Annual Report, 2022

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
Total OAHPI Project Based Voucher Units		1,539

Source: Authority Internal Records

Mixed Finance Developments

Name of Development	Location	Public Housing Units	Project Based Voucher Units	Other Units	Total 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	2	77
Oak Grove Plaza South	570 16th Street	-	74	1	75
Paseo and Vista Estero (Brooklyn Basin)	255 and 285 8th Avenuw	-	132	79	211
The Empyrean	344 13th Street	-	32	34	66
Total Mixed Finance Developments		307	953	1,169	2,302

Source: Appendix B, MTW Annual Report, 2022

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FEDERAL COMPLIANCE SECTION



Moving Forward Together

**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 (*Government Auditing Standards*), 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, 2022, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated January 31, 2023. Our report includes a reference to other auditors who audited the financial statements of the Authority’s discretely presented component units as described in our report on the Authority’s financial statements. 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, Foothill Family Apartments, L.P., 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.

Report on 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003 to be significant deficiencies.

Report on 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*.

The Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.



Sacramento, California
January 31, 2023

**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

Opinion on 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 identified as subject to audit 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, 2022. 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.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority’s compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The Authority’s basic financial statements include the operations of the California Affordable Housing Initiatives, Inc. (CAHI), which expended \$777,310,000 in federal awards which is not included in the Authority’s schedule of expenditures of federal awards during the year ended June 30, 2022. Our compliance audit, described in the Opinion on the Major Federal Program, does not include the operations of CAHI because we separately audited and reported on CAHI in accordance with the Uniform Guidance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-004. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-005 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



Sacramento, California
January 31, 2023

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**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Grantor/Program Title	Assistance Listing Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development:			
Direct:			
Section 8 Project-Based Cluster:			
Section 8 New Construction and Substantial Rehabilitation	14.182	\$ 982,358	\$ -
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	344,634	-
Subtotal Section 8 Project-Based Cluster		<u>1,326,992</u>	<u>-</u>
Family Self-Sufficiency Program	14.896	<u>-</u>	<u>-</u>
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	4,554,064	-
Mainstream Voucher Program (MV)	14.879	3,323,534	-
COVID-19 Mainstream Voucher Program (MV)	14.879	9,083	-
Subtotal Housing Voucher Cluster		<u>7,886,681</u>	<u>-</u>
Moving To Work Demonstration Program	14.881*	302,618,038	-
COVID-19 Moving To Work Demonstration Program	14.881*	5,554,117	-
Subtotal Moving To Work Demonstration Program		<u>308,172,155</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development		<u><u>\$ 317,385,828</u></u>	<u><u>\$ -</u></u>

* Denotes major program

See accompanying notes to the schedule of expenditures of federal awards.

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

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

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* (Uniform Guidance). 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.

As a result of the COVID-19 pandemic, many new federal programs have been established and funding has been added to existing federal programs. Expenditures funded by any of the following acts are denoted in the Schedule by the prefix COVID-19 in the federal program title.

- Coronavirus Preparedness and Response Supplemental Appropriations Act
- Families First Coronavirus Response Act
- Coronavirus Aid, Relief, and Economic Security Act (CARES Act)
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)
- American Rescue Pan Act (ARP)

NOTE 2 – BASIS OF ACCOUNTING

Amounts reported in the Schedule represent expenditures incurred for the Authority's federal award 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 minimus 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](https://www.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.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

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

Federal expenditures incurred by CAHI are excluded from the Schedule because CAHI’s federal expenditures are separately audited. Expenditures for CAHI’s federal award program from the separately issued single audit report, is listed below:

<u>Federal Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development		
Direct:		
Section 8 Project-Based Cluster:		
Section 8 Housing Assistance Payments Program	14.195	<u>\$ 777,310,000</u>

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
◆ Material weakness(es) identified?	Yes
◆ Significant deficiency(ies) identified?	Yes
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major federal program:	
◆ Material weakness(es) identified?	Yes
◆ 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)?	Yes

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

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

Section II - Financial Statement Findings

Reference Number: 2022-001 (Pension Accounting)
Type of Finding: Material Weakness

Criteria

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), establishes standards for governmental entities to measure and recognize liabilities and expenses related to pensions.

Condition

The Authority incorrectly recorded its annual adjustment for reporting its net pension liability/(asset) and related pension expense/(income) as of and for the year ended June 30, 2022.

Cause

The Authority misinterpreted information in its GASB 68 Accounting Report (Report) for the measurement date June 30, 2021, provided by the California Public Employees' Retirement System (CalPERS). This report provides disclosure and reporting information as required by GASB 68 for the Authority's Miscellaneous Pension Plan. The Authority utilizes the Report to determine the necessary financial statement adjustments (journal entries) to their pension related account balances at year-end.

Effect

Based on the Report provided by CalPERS, the Authority should have reduced their net pension liability to zero and recorded a net pension asset of \$22 million. Additionally, a \$29.5 million credit to its pension expense account was required. Instead, the Authority incorrectly increased the net pension liability and pension expense accounts by \$13.2 million.

As a result of the journal entries recorded by the Authority, the net pension liability and pension expense accounts were overstated by \$42.7 million as of and for the year ended June 30, 2022.

The Authority subsequently recorded the necessary adjustments to accurately report its net pension asset and pension expense within the financial statements.

Recommendation

The Authority should enhance their current process and procedures when preparing and reviewing their pension related journal entries, ensuring that underlying documentation supports the accuracy of the accounting entry.

Views of Responsible Officials and Corrective Action Plan

Management's response is reported in "Management's Response and Corrective Action Plan" included in a separate section at the end of this report.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

Section II - Financial Statement Findings (Continued)

Reference Number: 2022-002 (Information Technology Governance)
Type of Finding: Significant Deficiency

Criteria

Internal controls over financial reporting are reliant on effectively designed information technology (IT) controls. In that regard, an effectively designed IT control environment is one where an organization:

- a) develops, documents, and disseminates to appropriate personnel, policies that address purpose, scope, roles and responsibilities, management commitment, coordination among the Housing Authority of the City of Oakland (Authority) departments and those in charge of governance; and procedures to facilitate the implementation of the policy and associated controls,
- b) periodically reviews and updates the current policies and procedures, and
- c) systematically monitors and tests its environment to ensure that policies and procedures are operating as designed.

Condition

We noted that certain IT Policies and Procedures have not been reviewed and updated since 2016.

Cause and Effect or Potential Effect

Staffing and resource constraints have prevented the Authority from reviewing and updating the IT Policies and Procedures as needed.

Recommendation

IT Policies and Procedures should be reviewed annually and updated, as needed, to verify that current policies and practices are formally documented and communicated to those responsible for the Authority's information systems. In addition, the Authority should implement a process to ensure its employees are knowledgeable of the policies by conducting regular training and obtain written or electronic acknowledgement from personal of their responsibilities.

Views of Responsible Officials and Corrective Action Plan

Management's response is reported in "Management's Response and Corrective Action Plan" included in a separate section at the end of this report.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

Section II - Financial Statement Findings (Continued)

Reference Number: 2022-003 (Annual Review of Privileged Access)
Type of Finding: Significant Deficiency

Criteria

Best practices suggest that access to data and systems should be granted based on *least privileges* given an individual's job requirements.

Condition

A review of users with privileged access was not performed in FY2022.

Cause and Effect or Potential Effect

Staffing and resource constraints prevented the Authority from conducting an annual review of users with privileged access to critical financial applications.

Recommendation

Each of the Authority's departments should perform an annual review of users with privileged access to critical financial applications, to recertify that access is based on the specific job requirements.

Views of Responsible Officials and Corrective Action Plan

Management's response is reported in "Management's Response and Corrective Action Plan" included in a separate section at the end of this report.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

Section III – Federal Award Findings and Questioned Costs

Reference Number: 2022-004
Federal Agency: U.S. Department of Housing and Urban Development
Federal Program Title: Section 8 Moving to Work Demonstration Program
Assistance Listing Number: 14.881
Federal Grant Number: Not Applicable
Category of Finding: Eligibility
Classification of Finding: Material Weakness in Internal Control over Compliance
Instance of Noncompliance

Criteria

Pursuant to the following:

Title 2 - Grants and Agreements. Subtitle A - Office of Management and Budget Guidance for Grants and Agreements. Chapter II - Office of Management and Budget Guidance. Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Subpart D - Post Federal Award Requirements. Standards for Financial and Program Management. §200.303 Internal controls (2 CFR 200.303):

The non-Federal entity must - Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Title 24 – Housing and Urban Development. Subtitle B - Chapter IX – Admission to, and Occupancy of, Public Housing. Subpart A – Applicability, Definitions, Equal Opportunity Requirements – Section 960.201 – Eligibility:

- (1) Basic eligibility. An applicant must meet all eligibility requirements in order to receive housing assistance. At a minimum, the applicant must be a family, and must be income-eligible, as described in this section. Such eligible applicants include single persons.
- (2) Low income limit. No family other than a low income family is eligible for admission to a Public Housing Authority's (PHA) public housing program.

Title 24 – Housing and Urban Development. Subtitle B - Chapter IX – Admission to, and Occupancy of, Public Housing. Subpart C – Rent and Reexamination – Sections 960.257 and 960.259 – Family information and verification:

- (1) For families who pay an income-based rent, the PHA must conduct a reexamination of family income and composition at least annually and must make appropriate adjustments in the rent after consultation with the family and upon verification of the information.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

Section III – Federal Award Findings and Questioned Costs (Continued)

The PHA must obtain and document in the family file third-party verification of the following factors, or must document in the file why third-party verification was not available:

- (1) Reported family annual income;
- (2) The value of assets;
- (3) Expenses related to deductions from annual income; and
- (4) Other factors that affect the determination of adjusted income or income-based rent.

Condition and Context

During our testing of the eligibility compliance requirements for the Moving to Work (MTW) Demonstration Program (Section 8 Housing Choice Vouchers (HCV) and Low Rent Public Housing (LRPH) programs), we selected tenants from a population of 13,107 HCV tenant cases and 1,454 LRPH tenant cases and identified the following exceptions:

HCV (a total of 40 tenant cases selected for testing):

- In four cases, required documentation to establish initial eligibility was missing from the files. The missing documents include copies of social security numbers and evidence of citizenship or eligible immigration status.

LRPH (a total of 40 tenant cases selected for testing):

- In nine cases, annual reexaminations that were due were not performed within the required timeframe.
- In four cases, third party evidence supporting the verification of income was missing from the file.
- For nine cases, various documents were missing from the file as evidence to support the initial and recertification of eligibility, including background documents and income Authorization for Release Forms.

Cause

We noted that the Authority did not have adequate resources assigned to ensure that applicant's eligibility was properly reviewed and approved prior to acceptance and/or continuance in the Moving to Work Demonstration Program.

Effect

When the necessary oversight and monitoring of eligibility determinations or recertification is insufficient, the Authority has an increase risk of ineligible participation in the program and individuals receiving improper benefits.

Questioned Costs

Questioned costs were not identified as the tenants were deemed eligible for the HCV and LRPH programs.

Recommendation

The Authority should adhere and monitor compliance with its policies to ensure staff and secondary reviews of eligibility applications are performed, while following established guidelines and retaining acceptable documentation to support the eligibility determinations and subsequent recertification.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

Section III – Federal Award Findings and Questioned Costs (Continued)

Views of Responsible Officials and Corrective Action Plan

Management's response is reported in "Management's Response and Corrective Action Plan" included in a separate section at the end of this report.

**HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA**
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2022

There were no audit findings reported for the year ended June 30, 2021.



HOUSING AUTHORITY FOR THE CITY OF OAKLAND, CALIFORNIA
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2022

Reference Number 2022-001:

In reviewing the instance of the annual adjustment for net pension liability/(asset) and related pension expense/(income) was incorrectly recorded, the Authority has determined a couple areas that contributed to the finding.

The GASB 68 Accounting Report prepared annually by the California Public Employees Retirement System (CalPERS) provides disclosure and reporting information as required by GASB 68 for the Authority's Miscellaneous Plan is a unique and complicated report. The net pension liability is assumed as a charge (debit) and net pension asset is assumed as an income (credit). Finance staff inadvertently prepared the adjustment based on the above assumption. In the last 5 year's finance staff prepared the annual adjustment correctly and efficiently. The GASB 68 Accounting Report was released by CalPERS three months after the fiscal year end. In addition, the audit was running behind schedule due to staffing challenges.

To ensure the annual adjustment per the GASB 68 Accounting Report is prepared correctly and extensive review process in place, the Authority will update finance process to include compensating controls to mitigate the risk of a potential misstatement. The Authority will design proper operating controls that allows management and employees, in the normal course or performing their assigned functions to prevent or detect misstatement in a timely manner.

Contact Information: Victor Madamba, Director of Finance

Reference Number 2022-002:

The Information Technology (IT) Department will work with Human Resources (HR), to be included in the new hire process, to train new hires on the IT policies and procedures. We will also have cyber security awareness training as part of their onboarding. We will have this implemented by July 1st.

Contact Information: Brandon White, Director of Information Technology

Reference Number 2022-003:

We will have a policy written for managing and reviewing access by March 31, 2023. All accounts will be reviewed for the level of access for Active Directory and Yardi by August 31, 2023.

Contact Information: Brandon White, Director of Information Technology

Reference Number 2022-004:

The Office of Property Operations has reviewed the audit finding report and recommendations. The department will implement steps to monitor compliance with Public Housing program policies to ensure staff perform timely annual re-certifications, following established guidelines and retaining acceptable documentation to support resident eligibility determinations and subsequent re-certifications.

These items include:

- Ensuring all initial eligibility information is received at the time of unit leasing
- Updating protocols for documenting the re-certification process, including file checklists to ensure all documents are in the resident file
- Re-establishing a file audit protocol to be performed on a quarterly basis
- Closely monitoring delayed re-certifications, including written documentation regarding any delays
- Creating a standard operating procedure to document any delays in re-certifications that may impact the timeliness and accuracy of data reported to the HUD system
- Scheduling recertification training for all staff involved in the re-certification process before June 30, 2023

Contact Information: Mark Schiferl, Director of Operations



Oakland Housing
Authority



Moving Forward Together