



Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

AGENDA

REGULAR MEETING OF THE BOARD OF COMMISSIONERS

DATE & TIME

Wednesday, May 19, 2021
Closed Session - 6:00pm
Regular Meeting – 7:00 p.m.
Alameda Affordable Housing Corporation Meeting – 7:01 p.m.

LOCATION

Pursuant to Executive Order Numbers N-29-20 and N-35-20 signed by Governor Gavin Newsom and guidance provided by legal counsel, a local legislative body, such as the Board of Commissioners is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body. All requirements in the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or the public as a condition of participation in or a quorum for a public meeting have been waived.

PUBLIC PARTICIPATION

Public access to this meeting is available as follows:

Join Zoom Meeting:

<https://zoom.us/j/95360670749?pwd=S2w0akRDdnBpTFdQWVZPR1F1UU5Edz09>

Meeting ID: 953 6067 0749

Passcode: 792140

One tap mobile

1-669-900-9128, 95360670749#, *792140# US (San Jose)

1-346-248-7799, 95360670749#, *792140# US (Houston)

Find your local number: <https://zoom.us/j/95360670749?pwd=S2w0akRDdnBpTFdQWVZPR1F1UU5Edz09>

Persons wishing to address the Board of Commissioners are asked to submit comments for the public speaking portion of the Agenda as follows:

- Send an email with your comment(s) to jpolar@alamedahsg.org and vcooper@alamedahsg.org prior to or during the Board of Commissioners meeting
- Call and leave a message at (510) 871-7435.

When addressing the Board, on agenda items or business introduced by Commissioners, members of the public may speak for a maximum of three minutes per agenda item when the subject is before the Board.



Persons in need of special assistance to participate in the meetings of the Housing Authority of the City of Alameda Board of Commissioners, please contact (510) 747-4325 (voice), TTY/TRS: 711, or jpolar@alamedahsg.org. Notification 48 hours prior to the meeting will enable the Housing Authority of the City of Alameda Board of Commissioners to make reasonable arrangements to ensure accessibility.

PLEDGE OF ALLEGIANCE

1. ROLL CALL - Board of Commissioners
2. Public Comment (Non-Agenda)
3. Closed Session – 6:00 p.m. – Adjournment to Closed Session to Consider:
 - 3-A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8.
Property Location: 501 Mosely Ave, Alameda, CA 94501
Assessor's Parcel Numbers: 74-905-12-9
Agency Negotiation: Vanessa Cooper, Executive Director and Sylvia Martinez, Director of Housing Development
Negotiating Parties: Housing Authority of the City of Alameda and Building Futures and Alameda Point Collaborative
Property Owner: Housing Authority of the City of Alameda
Under Negotiation: Investment in Real Property, Price and Terms of Payment
 - 3-B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS pursuant to Government Code Section 54956.8.
Property Location: 2615 Eagle, Alameda, CA 94501
Assessor's Parcel Numbers: 70-161-55-2
Agency Negotiators: Vanessa Cooper, Executive Director, Sylvia Martinez, Director of Housing Development, and Richard Yoshida, Project Manager
Negotiating Parties: Housing Authority of the City of Alameda and Mark Russell, Jeff Aguilar, Brian Hutcherson, CBRE.
Property Owner: Alameda Unified School District
Under Negotiation: Real estate transaction - price and terms
4. Adjournment of Closed Session
5. RECONVENE REGULAR MEETING – 7:00 p.m.
6. Announcement of Action Taken in Closed Session, if any.
7. Public Comment (Non-Agenda)
8. CONSENT CALENDAR
 - Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Commissioners or a member of the public.



- 8-A. Approve Minutes of the Board of Commissioners Meeting held April 10 and April 21, 2021 – **Page 1**
- 8-B. Accept the Monthly Overview Report for the Executive Department – **Page 10**
- 8-C. Accept the Monthly Overview Report for the Housing Programs Department – **Page 15**
- 8-D. Accept the Monthly Overview Report for the Alameda Rent Program – **Page 23**
- 8-E. Accept the Monthly Overview Report for Property Operations – **Page 26**
- 8-F. Accept a memo regarding installing cameras at Esperanza Plaza – **Page 31**
- 8-G. Accept the Monthly Overview Report for Housing Development – **Page 36**
- 8-H. Accept the Monthly Development Report for Rosefield Village – **Page 38**
- 8-I. Accept the Monthly Overview Report on Procurement – **Page 40**
- 8-J. Accept the Fiscal Year to Date Financial Report through the Month of March 2021 – **Page 42**
- 8-K. Accept Quarterly Asset Management Report for Q1 – **Page 59**
- 8-L. Approve the submitted Social Media Policy – **Page 66**
- 8-M. Accept the Low and Moderate Income Housing Asset Fund Reports for FY 2018-2019 and FY 2019-2020 – **Page 74**
- 8-N. Authorize Comcast Cable Communications Management, LLC access to Rosefield Village site to install, maintain, and operate their equipment for the purpose of providing tenants access to TV, internet, and voice services – **Page 85**

- 9. AGENDA
- 9-A. Conduct Public Hearing Regarding Cohort #4 Landlord Incentives – **Page 98**
- 9-B. Accept the Audit Report for Fiscal Year Ending June 30, 2020 and Authorize the Executive Director to Approve and Finalize with Minor Changes – **Page 111**
- 9-C. Accept 2020 Annual Customer Survey Presentation – **Page 203**
- 9-D. Accept the Monthly Development Report for North Housing and Presentation – **Page 216**
- 9-E. Adopt Authorizing Resolutions for the Real Property Transfer of Properties to Alameda Affordable Housing Corporation, including Authority to Refinance Parrot and Eagle Village, Amend the Property and Asset Management Agreement and Authorize Executive Director, or Designee, to Negotiate and Execute Related Documents – **Page 225**
- 9-F. Accept Verbal update on Negotiations with the City regarding Police Services – **Page N/A**
- 9-G. Accept Verbal Update on the Emergency Housing Voucher Program – **Page N/A**
- 9-H. Establish a Nominating Ad Hoc Committee for the Appointment of the Chair and Vice Chair of the Board of Commissioners for the Period of July 1, 2021 - June 30, 2022– **Page 244**

- 10. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)
- 11. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)
- 12. CONTINUATION OF CLOSED SESSION OF HOUSING AUTHORITY BOARD OF COMMISSIONERS – IF NEEDED

- 13. Announcement of Action Taken in Closed Session, if any.



14. Alameda Affordable Housing Corporation (AAHC) Meeting
Open Alameda Affordable Housing Corporation Meeting (The Board of Commissioners of the Housing Authority of the City of Alameda serving in their capacity as Board of Directors of the Alameda Affordable Housing Corporation)
15. Public Comment (Non-Agenda)
16. AAHC AGENDA
 - 16-A. Accept Annual Report and Audited Financial Statements for the Housing Authority of the City of Alameda Showing AAHC's Financials as a Blended Component Unit – **Page 245**
 - 16-B. Accept Report on the Federal and State Tax Returns for the Fiscal Year Ending June 30, 2020 – **Page 320**
 - 16-C. Adopt Authorizing Resolutions for the Real Property Transfer of Properties to Alameda Affordable Housing Corporation, including Authority to Refinance Parrot and Eagle Village, Amend the Property and Asset Management Services Agreement, and Authorize Executive Director, or Designee, to Negotiate and Execute Related Documents – **Page 369**
17. ADJOURNMENT

* * * Note * * *

- Documents related to this agenda are available on-line at:
<http://www.alamedahsg.org/cms/One.aspx?portalId=3723405&pageId=5912638>
- Know Your RIGHTS Under The Ralph M. Brown Act: Government's duty is to serve the public, reaching its decisions in full view of the public. The Board of Commissioners exists to conduct the business of its constituents. Deliberations are conducted before the people and are open for the people's review. In order to assist the Housing Authority's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the Housing Authority accommodate these individuals.





Housing Authority of the City of Alameda

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DRAFT MINUTES

**SPECIAL MEETING OF THE BOARD OF COMMISSIONERS
SATURDAY, APRIL 10, 2021**

PLEDGE OF ALLEGIANCE

1. ROLL CALL - Board of Commissioners

Present: Chair Tamaoki, Vice-Chair Grob, Commissioner Hadid, Commissioner Kay; Commissioner Rickard, and Commissioner Sidelnikov

Absent: None.

2. Welcome and Introductions

Chair Tamaoki called the meeting to order and welcomed all participants at 9:00 a.m.

3. Public Comment (Non-Agenda)

None.

4. AGENDA

4-A. Public Hearing to Hear Comments on Housing Authority Annual Plan for Fiscal Year Starting July 1, 2021

Vanessa Cooper, Executive Director stated that this item was carried over due to cancellation of the Regular Board of Commissioners Meeting that was scheduled to take place on March 17, 2021.

Dan Mills, Management Analyst explained the process of updating the Annual Plan.

Chair Tamaoki opened to the Public Hearing and hearing no comments from the Public, closed the Hearing at 9:06 a.m.

4-B. Adopt the Annual Plan for Fiscal Year Starting July 1, 2021 and Authorize the Chair to Certify, By Resolution, that the Board of Commissioners has Approved Submission of the Agency Plan to HUD

No discussion.



Commissioner Rickard moved to adopt the Annual Plan for Fiscal Year Starting July 1, 2021 and Authorize the Chair to Certify, By Resolution, that the Board of Commissioners has Approved Submission of the Agency Plan to HUD and Vice Chair Grob seconded the motion. This meeting took place via Zoom, so a roll call vote was taken and the motion passed unanimously.

Yes 6 Chair Tamaoki, Vice-Chair Grob,
Commissioner Kay, Commissioner Rickard,
and Commissioner Sidelnikov

4-C. BOARD STUDY SESSION – ANNUAL RETREAT (No action items will be taken during this agenda item):

- Overview of the Housing Development Pipeline
- Overview of Recruitment, Retention, and Staff Morale

The presentations, for item 4-C, were provided for informational purposes only. General discussion ensued and no action was taken.

5. Public Comment (Non-Agenda)

None.

6. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)

None.

7. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

The Board expressed gratitude to staff for all of the excellent work performed throughout a very challenging year.

8. ADJOURNMENT

Chair Tamaoki adjourned the meeting at 12 noon.

Vanessa M. Cooper
Secretary and Executive Director

Kenji Tamaoki, Chair
Board of Commissioners



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DRAFT MINUTES

**REGULAR MEETING OF THE BOARD OF COMMISSIONERS
WEDNESDAY, APRIL 21, 2021
and
ALAMEDA AFFORDABLE HOUSING CORPORATION MEETING
WEDNESDAY, APRIL 21, 2021**

PLEDGE OF ALLEGIANCE

1. ROLL CALL - Board of Commissioners

Present: Chair Tamaoki, Vice-Chair Grob, Commissioner Kay; Commissioner Rickard, Commissioner Sidelnikov

Absent: Commissioner Hadid

2. Public Comment (Non-Agenda)

None.

3. Closed Session – 6:00 p.m. – Adjournment to Closed Session to Consider:

Chair Tamaoki called the meeting to order at 6:00 p.m. and announced that the Board would adjourn to Closed Session to hear items 3-A, 3-B, 3-C, and 3-D.

3-A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8.

Property Location: 501 Mosely Ave, Alameda, CA 94501

Assessor's Parcel Numbers: 74-905-12-9

Agency Negotiation: Vanessa Cooper, Executive Director and Sylvia Martinez, Director of Housing Development

Negotiating Parties: Housing Authority of the City of Alameda and Building Futures and Alameda Point Collaborative

Property Owner: Housing Authority of the City of Alameda

Under Negotiation: Investment in Real Property, Price and Terms of Payment

3-B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS pursuant to Government Code Section 54956.8.

Property Location: 2615 Eagle, Alameda, CA 94501

Assessor's Parcel Numbers: 70-161-55-2



Agency Negotiators: Vanessa Cooper, Executive Director, Sylvia Martinez, Director of Housing Development, and Richard Yoshida, Project Manager

Negotiating Parties: Housing Authority of the City of Alameda and Mark Russell, Jeff Aguilar, Brian Hutcherson, CBRE.

Property Owner: Alameda Unified School District

Under Negotiation: Real estate transaction - price and terms

- 3-C. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8.
Property Location: 1825 Poggi Street Alameda, CA 94501
Assessor's Parcel Numbers: 74-451-1-8
Agency Negotiation: Vanessa Cooper, Executive Director and Sylvia Martinez, Director of Housing Development
Negotiating Parties: Housing Authority of the City of Alameda and Vue Alameda Owner L.P.
Property Owner: Vue Alameda Owner L.P.
Under Negotiation: Investment in Real Property, Price and Terms of Payment
- 3-D. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8.
Property Location: 434 Central Avenue, Alameda, CA 94501
Assessor's Parcel Numbers: 074-1305-003
Agency Negotiation: Vanessa Cooper, Executive Director and Sylvia Martinez, Director of Housing Development
Negotiating Parties: Housing Authority of the City of Alameda and Novin Development Corp.
Property Owner: Current: 434 Central Avenue Apartments, LP, a California limited partnership.
Under Negotiation: Price and terms of payment
4. Adjournment of Closed Session
Adjourned 7:03 p.m.
5. RECONVENE REGULAR MEETING – 7:00 p.m.
Regular Meeting reconvened at 7:04 p.m.
6. Announcement of Action Taken in Closed Session, if any.

Chair Tamaoki announced that during Closed Session the Board received reports and gave staff direction on items 3-A and 3-B, and the Board would reconvene to Closed Session at the end of the Regular Meeting to discuss items 3-C and 3-D.
7. Public Comment (Non-Agenda)
None.



8. CONSENT CALENDAR

- Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Commissioners or a member of the public.

- *8-A. Approve Minutes of the Board of Commissioners Meeting held February 17, 2021
- *8-B. Accept the Monthly Overview Report for Operations/H.R./I.T.
- *8-C. Approve the Proposed Temporary Policy Addressing COVID-19 Supplemental Paid Sick Leave and Authorize Executive Director or Designee to make any Necessary Changes to the Policy in order to comply with State and Federal law.
- *8-D. Accept the Monthly Overview Report for the Housing Programs Department.
- *8-E. Accept the Monthly Overview Report for the Alameda Rent Program.
- *8-F. Accept the Monthly Overview Report for Property Operations.
- *8-G. Accept the Monthly Overview Report for Housing Development.
- *8-H. Accept the February and March Monthly Development Report for North Housing.
- *8-I. Accept the February and March Monthly Development Report for Rosefield Village.
- *8-J. Accept the Monthly Overview Report on Procurement.
- *8-K. Authorize the Executive Director to authorize and make minor edits to a Short-Term Contract with Life Skills Training and Educational Programs, Inc. ("LifeSTEPS") for Daily Social Services with the total Not to Exceed amount of \$219,873.00.
- *8-L. Authorize the Executive Director to Authorize and Make Minor Amendments to an Extension to the Contract between the Alameda Housing Authority and the Law Office of Bill Ford until October 15, 2023.
- *8-M. Accept the Fiscal Year to Date Financial Report through the Month of February 2021.
- *8-N. Accept the Quarterly Investment Report for Period Ending March 31, 2021.
- *8-O. Accept Executive Director's Update.
- *8-P. Accept the Five-Year Outlook (Pipeline Report) for Housing Development and the updated Housing Authority Development Policies.
- *8-Q. Approve the AT & T Access Agreement for Rosefield Village.
- *8-R. Accept update on Submitting Application for MTW Cohort #3.

Items accepted or adopted are indicated by an asterisk.

In response to Commissioner Kay, Janet Basta, Director of Human Resources and Operations explained that the COVID Supplemental Paid Sick Leave, as described in item 8-C, would serve as additional leave provided to employees for COVID related reasons (i.e. illness, vaccine appointments; reaction to vaccine, or caring for a child due to school closure). Supplemental leave would only be available for use through September 30, 2021. If preferred, employees could opt to use regular sick and/or vacation time accrued; as appropriate, rather than COVID Supplemental Sick Leave.

Ms. Basta informed the Board that the request for this item was amended to include the approval of the adoption of an Emergency Paid Sick Leave (EPSL) program. The adoption of EPSL will provide staff with additional leave eligibility to allow them to get COVID testing in response to possible exposure or as requested by AHA, while also making AHA eligible to receive tax credits and possible reimbursement for the cost of leaves.



While the possible funding source(s) and amount(s) for such programs are still unclear at this time, adopting this program will position AHA to receive the most reimbursement possible and provide employees with as much leave as possible during this time.

Vice Chair Grob moved to accept the Consent Calendar and Commissioner Kay seconded the motion. This meeting took place via Zoom, so a roll call vote was taken and the motion passed unanimously.

Yes 5 Chair Tamaoki, Vice-Chair Grob, Commissioner Kay,
Commissioner Rickard, and Commissioner Sidelnikov

9. AGENDA

9-A. Recognition of Foodbank Volunteers

Ms. Cooper explained that during the past year staff from the Alameda Food Bank, LifeSTEPS, and AHA have worked remarkably well to ensure that, on a bi-weekly basis, food is delivered to the doorstep of every disabled family, senior family, and/or family without transportation.

Joshua Altieri, Community Relations Manager provided an overview of the “food bank” process and services provided to AHA clients.

The Board and Ms. Cooper expressed gratitude to all volunteers, staff, and partners for the seamless transition to the delivering of food and helping to keep our most vulnerable clients safe during this time.

Commissioner Kay requested that the newsletter, published by LifeSTEPS, please be updated to include the AHA contact information for clients to sign-up for Food Bank services.

9-B. Accept the 2800 Fifth Street BMR Purchase of Eighteen Units Update Report; Approve Resolution for up to a \$3,500,000 Loan from AHA to AAHC; and Authorize the President or Designee to Execute the Loan Documents

Richard Yoshida, Project Manager explained that this request is to approve a loan for up to \$3.5M, which includes a contingency factor of roughly 10% - 12% in order for AHA to move forward with the purchase of eighteen units BMR units located at 2800 Fifth Street, Alameda.

As the AHA’s real estate is transitioning to the Alameda Affordable Housing Corporation (AAHC), Ms. Cooper explained that while this request was originally approved as a direct purchase by AHA, after further review, it was determined that the units should be purchased by the AAHC. Therefore, this request is for the approval of a loan to, and the direct purchase by, AAHC. If approved, the loan will be made promptly and the purchase of the units will be made over time.

Vice Chair Grob moved to accept the recommendation to accept 2800 Fifth Street BMR Purchase of Eighteen Units Update Report; Approve a Resolution for up to a \$3,500,000 Loan from AHA to AAHC; and Authorize the President or Designee to



Execute the Loan Documents and Commissioner Sidelnikov seconded the motion. This meeting took place via Zoom, so a roll call vote was taken and the motion passed unanimously.

Yes 5 Chair Tamaoki, Vice-Chair Grob, Commissioner Kay,
Commissioner Rickard, and Commissioner Sidelnikov

9-C. Presentation on conversion of garage space at 701 Atlantic to office space

Ms. Cooper explained that as a result of the reduction in the number of properties managed by AHA, the garage space at 701 Atlantic, is no longer needed to house property management and maintenance operations. Therefore, one consideration for addressing the long term need for additional office space is the conversion of the garage into office space.

For informational purposes, Stephanie Fujimara, DAHLIN Group Architects provided an overview of the Maintenance Bay Office Conversion Feasibility Study.

In response to the Board, Ms. Fujimara confirmed that each of the furniture space dividing system pod workspaces would be constructed using a furniture system and the only aspect of these workspaces that would have to be built would be the dropped ceilings. Ms. Fujimara also explained that there are flooring options that can be recommended in order to help mitigate any dirt and/or debris that may be tracked in to the work area by maintenance boots.

In response to Chair Tamaoki, Mr. Cooper confirmed that as it stands, AHA's existing main office will stay configured as is. The conversion of the garage will allow the staff members that are currently working out of the South Shore and Rent Program Offices to return to AHA's main office by the end of summer 2022.

10. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)

None.

11. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

Chair Tamaoki announced that the Board would return to Closed Session, adjourn, the Regular Board Meeting, and the Alameda Affordable Housing Corporation (AAHC) Meeting would begin immediately following adjournment of the Regular Board Meeting.

13. CONTINUATION OF CLOSED SESSION OF HOUSING AUTHORITY BOARD OF COMMISSIONERS – IF NEEDED

At approximately 8:00 p.m. the Board returned to Closed Session.

14. Announcement of Action Taken in Closed Session, if any.

Chair Tamaoki reported that during the Closed Session, the Board of Commissioners discussed and gave direction on items 3-C and 3-D.



Chair Tamaoki called for Public Comment. Ms. Cooper reported none.

15. ADJOURNMENT

Chair Tamaoki adjourned the meeting at 8:40 p.m.

16. Alameda Affordable Housing Corporation (AAHC) Meeting

Open Alameda Affordable Housing Corporation Meeting (The Board of Commissioners of the Housing Authority of the City of Alameda serving in their capacity as Board of Directors of the Alameda Affordable Housing Corporation)

17. Public Comment (Non-Agenda)

None.

18. AAHC AGENDA

- 18-A. Accept the Assignment of Purchase Rights and Loan of \$3,500,000 for the purchase of BMR Homeownership Units from the Housing Authority of the City of Alameda and Approve the Resolution Accepting a \$3,500,000 Loan

Sylvia Martinez, Director of Housing Development stated that as AHA would like to put Section 8 contracts on the Pulte properties purchased (at 2800 Fifth Street, Alameda), AAHC would need to be the holding entity of these properties. As AAHC does not have its own assets, it would be taking a loan from AHA, but the purchase rights would be assigned to AAHC as a separate corporation. The presented request is to accept the assignment of purchase rights to purchase the BMR Homeownership Units from AHA and approve a Resolution to accept the loan from AHA.

At the request of Jhaila Brown, Goldfarb & Lipman LLP, Ms. Cooper called roll to ensure that all Board members were present to vote on this item.

Present: Chair Tamaoki, Vice-Chair Grob, Commissioner Kay; Commissioner Rickard, Commissioner Sidelnikov

Absent: Commissioner Hadid

In response to Chair Tamaoki Ms. Martinez stated that in considering that the respective property doesn't carry the typical amount of reserves that a property with a senior loan would, staff would like to set the loan repayment terms at 75% of cash flow. This will leave some cash flow available to possibly address miscellaneous items (i.e. repairs, new carpeting, etc.). As these properties will be purchased over a period of 16 months, at a rate of approximately 1-2 per month, it is very difficult to finance them as single purchases. So, the goal is to purchase these properties, as presented in this request, and once all properties are purchased, consider options for the restructuring of this loan. Ms. Cooper stated that while there is nothing preventing repayments of more than 75% of cash flow, at this time, staff would like to move forward with the repayment terms presented and in 12 months reconsider this option, after all the properties have been acquired.



Commissioner Rickard moved to accept the recommendation to accept the Assignment of Purchase Rights and Loan of \$3,500,000 for the purchase of BMR Homeownership Units from the Housing Authority of the City of Alameda and Approve the Resolution Accepting a \$3,500,000 Loan and Vice Chair Grob seconded the motion. This meeting took place via Zoom, so a roll call vote was taken and the motion passed unanimously.

Yes 5 Chair Tamaoki, Vice-Chair Grob, Commissioner Kay,
Commissioner Rickard, and Commissioner Sidelnikov

19. ADJOURNMENT

Chair Tamaoki adjourned the meeting at 9:00 p.m.

Vanessa M. Cooper
Secretary and Executive Director

Kenji Tamaoki, Chair
Board of Commissioners





Housing Authority of the City of Alameda

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To: Honorable Chair and Members of the Board of Commissioners
From: Janet Basta, Director of Human Resources and Operations
Date: May 19, 2021
RE: Accept the Monthly Overview Report for the Executive Department

BACKGROUND

This memo provides a high-level overview of agency activities in the prior month for agency the Executive Department.

DISCUSSION

Human Resources and Operations

A summary of unfilled positions that are on the Schedule of Authorized positions is presented below. Positions are listed by department, and information about current and recent recruitments is included.

<u>Department</u>	<u>Position</u>	<u>Number of Vacant Positions</u>	<u>Recruitment Status</u>	<u>Other Updates</u>
Administration	Deputy Executive Director	1 FTE	Reposted position	Using recruiting firm
Finance		0 FTE		Department is fully staffed
Housing Programs	Program Assistant	1 FTE	In interview process	Open due to internal promotion
Property Operations	Assistant Resident Manager: IP	.13 FTE	On hold. Will request a full time position in 2021-22 budget.	Department is otherwise fully staffed



Honorable Chair and
Members of the Board of Commissioners

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	Project Manager	.5 FTE	On hold. Will request a full time position in 2021-22 budget	Department is otherwise fully staffed
Housing Development	Asset Manager	1 FTE	In interview process	Available due to turnover
Rent Program		0 FTE		Department is fully staffed

Summary: Total FTE's approved for FY 2021: 54.63
Number of vacancies: 3.63
Number of active recruitments: 3.00

Additional guidance is continuing to emerge on the various new COVID-related laws and regulations that have recently been passed. Management is continuing to monitor the changes and will come to the Board as needed for updates to policies or to provide additional information, including updates on reimbursements for expenses that have been incurred, such as the additional paid sick leave that is being provided.

In early May, an on-line training on informal hearings in Section 8 was offered to all staff. The training, which was required for all Housing Programs Department staff, staff that work on reasonable accommodations, and new exempt staff, provided an overview of the process and procedures required of hearing work, and provided a good opportunity for cross-department coordination.

The HR Director is in the process of holding individual check-in meetings with newly hired staff. These meetings, done at approximately 3-4 months after hire, are yielding valuable feedback on AHA's onboarding and training processes, and are being conducted as part of the overall strategy for staff retention.

Information Technology/Policy/Administration

The table below provides a summary of monthly and year-to-date statistics on Reasonable Accommodation (RA) processing and a status report on the processing of the requests as of April 29, 2021.

	Number of new submissions in the month	Number received current month and still in process	Number closed out (letter sent)	Running total of new submissions	Running total of RAs closed out
January	20	0	20	20	20
February	10	0	10	30	30
March	16	0	16	46	46
April	12	6	6	58	52



Honorable Chair and
Members of the Board of Commissioners

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	Number of new submissions in the month	Number received current month and still in process	Number closed out (letter sent)	Running total of new submissions	Running total of RAs closed out
TOTAL	58		52		

Staff continue to accept requests via e-mail, fax, in person, and phone along with accepting a paper form submitted through the drop box or by mail during the current health situation, so, if a request is needed, participants and tenants can still make requests in a variety of methods. Staff has quality controlled all reasonable accommodation requests for 2020 and is working on an online reasonable request form.

The IT service tickets for March fell primarily under software and hardware issues. The majority of the hardware tickets were due to the recent change of telecommunications vendor and the procurement of new cellphones. Techordia's ticketing system has a limitation on tracking response time when duplicate tickets are created and tied to the original ticket. If an AHA employee sends an e-mail without the ticket number in the email header, the automated ticketing system creates a new ticket. Techordia staff then manually connect the two tickets together, but the system does not recognize the original response time, so the second ticket's response time is the time the ticket is closed and creates a larger response time. These tickets are removed when calculating the average response time to tickets. The average response time for March tickets was only about 0.16 hours.

Table: Techordia Service Ticket Requests – March 2021

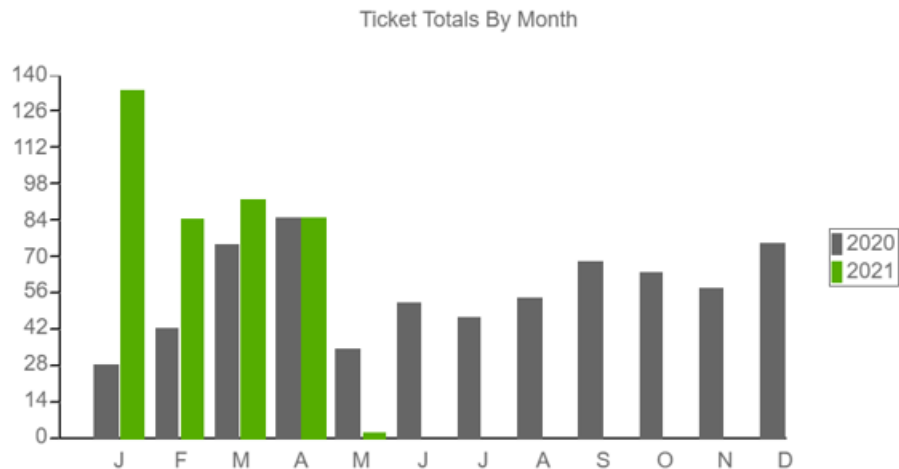
Type of Service Request	Number of Tickets
Access rights	6
Hardware	36
Software	23
On Boarding / Off Boarding	11
On Site Visits	3
Cyber Security	9
TOTAL:	88

As of May 3, 2021, there were 397 tickets in 2021, and, at that time, there were 32 open tickets. Below is a chart of tickets for year 2020 versus 2021. A new contract was effective October 2020 resulting in Techordia now providing the Housing Authority with Managed Services, so some systems will be changed, upgraded, or expanded during the coming 6-month period along with higher tickets than 2020 as Techordia is now primarily covering all IT functions except for administration and troubleshooting for Yardi and Laserfiche. Techordia continues to support staff remotely, but the twice-a-week onsite visits have continued to be suspended and in office staff are being asked to do basic troubleshooting and take responsibility for their equipment such as changing out printer cartridges.



Honorable Chair and
Members of the Board of Commissioners

May 19, 2021
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Staff continue to work on implementing online solutions for applicants, tenants, landlords, vendors, and staff. Staff is working on the Applicant Portal right now. Expanded DocuSign licenses were purchased and all staff will have a license by May. It was anticipated that landlines would be launched with the new provider by March 31, 2021, but due to the old vendor refusing the port request, this launch will be pushed back into May 2021.

Using extra support hours for Laserfiche, some training was provided by the Agency's Value Added Representative (VAR) ECS Imagining. These trainings covered Laserfiche basics, FORMS, and reporting.

Electronic document retention was performed in Laserfiche for all tenant files. Applicant files are currently being reviewed in paper and electronic forms.

Community Relations

In the month of May, the Community Relations Manager will continue building creative assets for AHA brochures, presentations, and other AHA department collateral. The new role is also increasing activity on AHA social media platforms and now finalizing AHA's social media policy.

May is also the month that AHA will officially launch the Ombudsman role. The Community Relations Manager, who will serve as the Ombudsman, has designed all online and print materials. Prior to the public launch of this program, AHA's internal staff will be briefed on the role and responsibilities of the Ombudsman in order to clarify that the role of the Ombudsman is not to circumvent any existing communication channels or procedures. The Ombudsman is intended to serve as resource for all landlords and tenants/participants by facilitating communication and finding resolution.

The Community Relations Manager is continuing to seek community partnerships to expand programming for AHA youth. Upcoming events and opportunities include another golf event at the Corica Park Golf Course in June and a potential Girls Inc. Summer Camp



Honorable Chair and
Members of the Board of Commissioners

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Partnership. Staff also continues to serve on the Mayor's vaccination task force which meets weekly.

Risk Management

The Risk Management team continues to meet daily to address the impact of current events and the changing public health environment on AHA operations and employee and tenant safety.

The Risk Manager is working with leadership to develop a plan for reestablishing in-person services to our tenants and the public, as public health regulations permit. High priority in-person services that will resume include one-on-one assistance to tenants with recertification questions, and confidential, one-on-one social services through LifeSTEPS in the Community Rooms at IP and ABD. HQS inspections resumed in April, and staff anticipate reopening the lobby for appointment-only services over the summer. In preparation for reopening, additional air filters have been installed in the lobby and community rooms. Reopening will also require some changes to internal operations, as spaces currently utilized for staff functions are needed to provide services to the public.

AHA recently purchased its annual cyber liability coverage for AHA and pollution liability insurance for the North Housing site.


FINANCIAL IMPACT

Report only, no financial impact.

RECOMMENDATION

Accept the Monthly Overview Report for the Executive Department.


Respectfully submitted,

DocuSigned by:

72DC869D12E247A...

Janet Basta
Director of Human Resources and Operations

JCB/TMSC





**Housing
Authority of the City of Alameda**

PHONE (510) 747-4300
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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Lynette Jordan, Director of Housing Programs

Date: May 19, 2021

RE: Accept the Monthly Overview Report for the Housing Programs Department

BACKGROUND

This memo provides a high-level overview of Housing Programs Department (HPD) activities for the prior month.

Funding Update

A review of the Two-Year Tool (TYT) revealed a projected year end amount of \$2.1 mil in HAP reserves with a utilization rate of 93.2% of funding. This increase is due to additional funding after AHA successfully completed shortfall. Under indicator 1 of SEMAP which is worth up to 20 points, AHA must have utilized at least 98% of its HAP funds to receive full points for SEMAP. However, based on the review of the TYT it will be a challenge to make the SEMAP standard for lease up this year if SEMAP leasing numbers are applied. There is belief that HUD may extend the waiver for SEMAP scores due to the continued Health Emergency. HUD announced that they will extend the SEMAP waiver regarding the use of 2019 SEMAP scoring through the year end. Nevertheless, AHA will continue striving to meet the SEMAP lease up requirement by increasing our leasing efforts.

Waitlist Opening Update

Staff have continued to meet weekly to complete the Housing Choice Voucher (HCV) waitlist purge and lease up the final names on the 2015 HCV waitlist. Application packets were mailed on March 25, 2021, and to date 55 applicants responded and of those staff have issued 5 vouchers to applicants determined eligible. At the same time, staff are meeting weekly with Yardi to complete the final testing on the Applicant Portal to prepare for the opening of the HCV waitlist later in 2021.

Online Annual Recertification

The online recertification system continues to be an asset for the Agency which allows participants the opportunity to complete their annual recertifications from the comfort and safety of their homes, at a time when in-person processing could put many participants at risk. In FY 2020.

For the month of May 2021 staff completed 188 online recertification. The online process has proven to be a convenient and efficient way to process annual recertification particularly during the current health crisis. Staff continue to help participants virtually with registration and data entry.

Online Interim Process

The online interim process became available a year ago in May 2020. Participants continue to report increases/decreases in income, and household composition changes through the Rentcafe portal. This online interim process has been beneficial to participants during this COVID period due to the shelter in place orders and participants inability to submit paperwork directly to the office. In the month of May, staff completed 68 interim adjustments.

Waivers Update

The Housing Authority of the City of Alameda (AHA) have continued to update the board with a monthly chart of implemented waivers as staff determine the need to implement them. In the month of April AHA implemented HUD Waiver PH and HCV- 2, which allows AHA to accept late recertifications. Staff implemented this waiver after reviewing the End of Participation EOP report and attempting to afford tenants additional time to submit their recertifications and preserve their housing during this pandemic. Attached is an updated chart of the waivers staff have implemented to date.

Inspections Update

In the April of 2020, Biennial HQS inspections were halted with the exception of vacant units. At that time AHA adopted HUD Waiver HQS-5 which allowed for the delay in biennial inspections through June 2021. In February 2021, HUD expanded on this waiver which allowed owners to complete a self-certification stating there were no life -threatening deficiencies in the unit. AHA continued to perform special inspections of units when issue was reported by either owner or tenant.

One year later in April 2021, AHA began performing inspection of AHA occupied units. Though HUD has extended HQS-5 even further, AHA feels it is important to begin inspections of our occupied units to ensure our participants are living in safe and sanitary units and that no hoarding, or dangerous conditions exist. AHA began performing inspections of AHA owner properties and plan to expand to private owners later this year.

HPD STATISTICS - See Attachment 1: Housing Programs Department Performance Report

RECOMMENDATION

Accept the Monthly Overview Report for the Housing Programs Department.

Respectfully submitted,

DocuSigned by:

Lynette Jordan

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Lynette Jordan

Director of Housing Programs

Attachments:

1. Housing Programs Department Performance Report
2. Implemented Waivers



Attachment 1 - Housing Programs Department Performance Report
Month of May 2021

Item	January	February	March	April	May	June	July	August	September	October	November	December	YTD
HAP spent for month	\$2,781,531	\$ 2,794,623	\$2,729,695	\$ 2,769,852									\$ 11,075,701
Vouchers under lease at start of month	1513	1515	1512	1517									n/a
Vouchers issued during the month	0	2	4	9									15
New units leased in private market	4	10	4	3									21
New units leased in affordable market	0	1	0	1									2
Seeking vouchers	23	25	28	26									102
Port outs leased	0	0	3	6									9
Port ins leased	2	1	3	4									10
Annuals completed	132	125	114	188									559
Interims completed	48	29	79	68									224
Rent Increases completed	20	10	35	22									87
Inspections conducted	0	9	0	83									92
Inspections passed first time	0	9	0	24									33
Hearings requested	4	2	3	3									12
Hearings held	1	0	1	1									3
End of Participation *	1	0	1	1									3

* includes deaths, over income, voluntary surrender of voucher, etc.

ATTACHMENT 2

CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY (CARES) ACT (PUBLIC LAW 116-136) HOUSING CHOICE VOUCHER PROVISIONS

HOUSING AUTHORITY OF THE CITY OF ALAMEDA (CA062)

IMPLEMENTATION OF PIH NOTICE 2021-14 WAIVERS

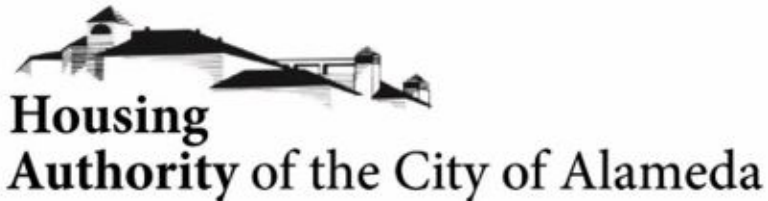
Item	Statutory and regulatory waivers	Summary of alternative requirements	Date Implemented	Availability Period Ends	Effect on Participants
PH and HCV-2: Family Income and Composition: Delayed Annual Examinations	Statutory Authority Section 3(a)(1) Regulatory Authority §§ 982.516(a)(1), 960.257(a)	<ul style="list-style-type: none"> Permits the PHA to delay the annual reexamination of income and family composition HCV PHAs must implement HCV-7 for impacted families if they implement this waiver 	4/28/2021	6/30/2021	Participants may have extra time to complete the annual process and avoid termination. All reexaminations due in FY 2021 must be completed by 12/31/2021.
HQS-5: Biennial Inspections	<u>Statutory Authority</u> Section 8(o)(D) <u>Regulatory Authority</u> §§ 982.405(a), 983.103(d)	<ul style="list-style-type: none"> Allows for delay in biennial inspections PHAs must require owner certification there are no life-threatening deficiencies PHAs must conduct all delayed biennial inspections from CY2020 as soon as reasonably possible but no later than 6/20/22, and must conduct all delayed biennial inspections from CY2021 as soon as reasonably possible but no later than 12/31/22 	7/2/2020	12/31/21	HQS inspections will be delayed but missed inspections must be conducted by June 30, 2022 for CY2020 and by December 31, 2022 for CY 2021 missed inspections. Owner will need to make certification.

Item	Statutory and regulatory waivers	Summary of alternative requirements	Date Implemented	Availability Period Ends	Effect on Participants
HQS-6: Interim Inspections	<u>Statutory Authority</u> Section 8(o)(8)(F) <u>Regulatory Authority</u> §§ 982.405(g), § 983.103(e)	<ul style="list-style-type: none"> • Waives the requirement for the PHA to conduct interim inspection and requires alternative method • Allows for repairs to be verified by alternative methods 	7/2/2020	12/31/21	HQS inspections will be delayed and expanded use of self-certification.
HQS-8: PBV HAP Contract: HQS Inspections to Add or Substitute Unit	Statutory Authority Section 8(o)(8)(A) Regulatory Authority §§ 983.207(a), 983.207(b) Sub-regulatory Guidance HOTMA HCV Federal Register Notice January 18, 2017	<ul style="list-style-type: none"> • Allows for PBV units to be added or substituted in the HAP contract based on owner certification there are no life-threatening deficiencies • Allows for delayed full HQS inspection NLT 6/30/22 	5/21/2020	12/31/21	Minimal impact on existing participants as these are new units to a contract. Inspections must be completed by June 30, 2022 for all units added based on an owner's self-certification.
HQS-9: HQS Quality Control Inspections	<u>Regulatory Authority</u> § 982.405(b), 983.103(e)(3)	<ul style="list-style-type: none"> • Provides for a suspension of the requirement for QC sampling inspections 	7/2/2020	12/31/21	Quality Control HQS inspections will be delayed but must resume with proper notice.
HCV-2: PHA Oral Briefing	<u>Regulatory Authority</u> § 982.301(a)(3) § 983.252(a)	<ul style="list-style-type: none"> • Waives the requirement for an oral briefing • Provides for alternative methods to conduct required voucher briefing 	7/2/2020	12/31/21	Briefings for transfers or new admissions are being performed on alternate, virtual platforms with documents mailed prior to virtual meeting.

Item	Statutory and regulatory waivers	Summary of alternative requirements	Date Implemented	Availability Period Ends	Effect on Participants
HCV-3: Term of Voucher - Extensions of Term	<u>Regulatory Authority § 982.303(b)(1)</u>	<ul style="list-style-type: none"> Allows PHAs to provide voucher extensions regardless of current PHA policy 	7/2/2020	12/31/21	Would impact new admissions or transferring participants if 180-day voucher is about to expire. Would need to submit written request for extension.
HCV-5 Absence from Unit	<u>Regulatory Authority § 982.312</u>	<ul style="list-style-type: none"> Allows for PHA discretion on absences from units longer than 180 days PHAs must not make HAP payments beyond 12/31/20 for units vacant more than 180 consecutive days 	2/1/2021	12/31/21	
HCV-7: Increase in Payment Standard During HAP Contract Term	<u>Regulatory Authority § 982.505(c)(4)</u>	<ul style="list-style-type: none"> Provides PHAs with the option to increase the payment standard for the family at any time after the effective date of the increase, rather than waiting for the next regular reexamination. 	4/28/2021	12/31/21	Implemented in conjunction with PH and HCV – 2. Will implement increased payment standard at scheduled time of next annual reexamination.

Item	Statutory and regulatory waivers	Summary of alternative requirements	Date Implemented	Availability Period Ends	Effect on Participants
11 b: SEMAP	<u>Regulatory Authority</u> 24 CFR Part 985	<ul style="list-style-type: none"> PHA to retain prior year SEMAP score unless requests otherwise 	7/2/2020	HUD will carry forward the most recent SEMAP score on record for any PHA with a fiscal year on or before December 31, 2021.	Minimal impact on participants as this is a HUD-required audit performed by staff. Allows Agency to retain High Performer status when unable to complete HQS inspections.
11b-2: SEMAP Certification Timing	Regulatory Authority § 985.101(a)	<ul style="list-style-type: none"> Waives the requirement for PHAs to submit an annual SEMAP certification in PIC within 60 days of FYE during the period of time that HUD will roll forward prior year SEMAP scores 	11/30/2020	1/1/22	Minimal impact on participants as this is a HUD-required administrative function.
11c: Uniform Financial Reporting Standards: Filing of Financial Reports; Reporting Compliance Dates	Regulatory Authority §§ 5.801(c), 5.801(d)(1)	<ul style="list-style-type: none"> Allows for extensions of financial reporting deadlines 	3/31/21	9/30/22	Minimal impact on participants as this is a HUD-required administrative function.

Item	Statutory and regulatory waivers	Summary of alternative requirements	Date Implemented	Availability Period Ends	Effect on Participants
MR-5: PHA Inspection Requirement: Annual Inspections	Regulatory Authority § 882.516(b)	<ul style="list-style-type: none"> • Waives the annual inspection requirement and allows PHAs to delay annual inspections for Mod Rehab units • All delayed annual inspections must be completed as soon as reasonably possible but no later than one year after the date the annual inspection would have been required absent the waiver 	8/26/2020	12/31/21	HQS inspections will be delayed but missed inspections must be conducted within 1 year of due date.



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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
 From: Greg Kats, Rent Program Director
 Date: May 19, 2021
 RE: Accept the Monthly Overview for the Alameda Rent Program

BACKGROUND

The monthly reports for the Alameda Rent Program are available at www.alamedarentprogram.org. For outcomes of submissions reviewed, please see the full report available online.

	February	March	April
Submissions for staff review of rent increases and/or registration information	15	17	2
Termination of tenancy submissions	0	1	0
Buyout agreement submissions	0	3	3
Temporary relocation payment submissions	0	0	0
Capital Improvement Plan submissions	0	0	0
Petitions submitted for a rent adjustment hearing	8	12	2
Requests submitted for an appeal hearing	0	0	0
Number of hearings held*	1	5	0

**Does not include continuations. Hearings may not be held the same month as submission. Petitions and requests may be withdrawn prior to the hearing because the parties are able to resolve the matter.*

MONTHLY UPDATE

The Rent Program collaborated with the City of Alameda to present a revised Capital Improvement Plan (CIP) process, and an amended CIP Ordinance, at the January 19, 2021 meeting of the Alameda City Council. In an effort to make the CIP process more accessible and to encourage upgrades of available rental housing stock, the new process would have reset the monetary threshold for CIP applications and applied a set amortization schedule for pass through costs. At the January 19, 2021 City Council meeting, the revised CIP legislation



was approved by a 3-2 vote, and then went before the City Council again, for a second read, on February 2, 2021. At the February 2, 2021 meeting, the Alameda City Council decided to send the legislation back to staff for further revision. The revised legislation was brought back to the City Council on Tuesday, May 5, 2021. The City Council instructed staff to make further revisions to the proposed plan and re-submit a revised draft towards the end of the fiscal year.

On April 5, 2021, the City Council also approved a proposal from City staff to increase annual program fees to \$148 for fully-regulated units and \$100 for partially-regulated units. Now that the revised fees have been approved, the Rent Program will send out registration notices for the Year 2 registration cycle in mid-May. The annual registration and fee payment cycle will begin simultaneously on June 1, 2021. The fee payment deadline was also extended, by the City Council, to September 30, 2021.

Rent Program staff continues to work with landlords in order to assist them in remedying cases of non-compliance with program requirements, particularly in regards to invalid rent increases; which were discovered through the registration process. In April 2021, staff provided the City Attorney's Office with several reports documenting unresolved cases involving invalid rent increases, failure to pay program fees and failure to register rental units. These cases are currently pending enforcement action by the City Attorney's Office.

In April 2021, the Alameda Rent Program resumed conducting Informational Workshops, via Zoom. Going forward, these remote Informational Workshops will be offered twice a month, with one daytime and one evening session provided monthly.

On April 22, 2021, staff presented a Rent Program overview at the City Attorney's Office Fair Housing Seminar for community stakeholders.

In May 2021, the Alameda Rent Program will announce the new Annual General Adjustment, which will become effective on September 1, 2021. The AGA is calculated at 70% of the percentage change in the Consumer Price Index (CPI) for the 12-month period ending in April of each year, with a floor of 1% and a ceiling of 5%.

In May 2021, the Rent Program will also announce the new permanent relocation payment rates effective on July 1, 2021. The permanent relocation payment rates are based on HUD's Fair Market Rent (FMR) estimates for the Oakland-Fremont metro area and are adjusted annually based on the percentage change of the "rent of primary residence" component of the CPI-W Index for the San Francisco-Oakland-Hayward area.

RECOMMENDATION

Accept the Monthly Overview for the Alameda Rent Program.

Respectfully submitted,

DocuSigned by:

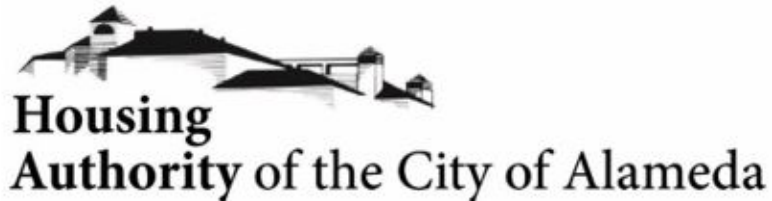
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Greg Kats
Rent Program Director

Attachment(s):

1. Monthly Registration Update





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701 Atlantic Avenue • Alameda, California 94501-2161

ATTACHMENT 1 - MONTHLY REGISTRATION UPDATE

The final deadline for the online registration process for City of Alameda residential rental properties was May 25, 2020. Alameda Rent Program staff are currently processing late submissions and updating unit data in the Rent Registry database. The Alameda Rent Program will continue to process late submissions, as they come in.

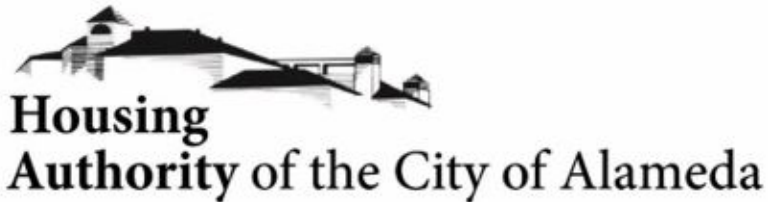
The latest registration and fee payment statistics indicate the following:

- 82.68% of rental properties are registered
- 87.65% of rental units are registered
- 1,401 unit exemptions requested
- 94.86% unit exemptions approved
- 420 property exemptions requested
- 86.19% property exemptions approved
- \$1,560,405.60 in annual fee payments collected

During the month of April 2021, staff processed the following Rent Registry submissions:

- 226 rent increase errors
- 10 unit exemptions
- 5 property exemptions
- 5 new owner amendments
- 115 new tenant amendments





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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Stephanie Shipe, Director of Portfolio Management

Date: May 19, 2021

Re: Accept the Monthly Overview Report for Property Operations

BACKGROUND

This memo provides a high-level overview of the Property Operations Department's activities for the month of April 2021.

DISCUSSION

The attached table (Attachment 1) summarizes property performance of all sites including AHA owned and managed, affiliate owned, and managed by The John Stewart Company (JSCo). It excludes performance for Rosefield Village as the property is undergoing rehabilitation and construction.

For the month of April AHA managed Independence Plaza and Anne B Diamant. The remainder of the properties are third party managed by JSCo with staff paying close attention to rent reports, ledger updates, and vacancy applicant information.

VACANCY

The attached table (Attachment 1) reflects fourteen (14) vacancies out of five hundred seventy-six (576) units for all properties including: AHA owned and managed; affiliate owned; and third party managed by JSCo, as of the end of April. Progress is taking place in filling the vacancies. Of the fifteen vacant units, thirteen are turned and ready for occupancy. Of the fourteen (14) vacant units, two (2) are to be filled by AHA and the remainder by JSCo.

Lease up coordination between AHA Property Management, JSCo, and AHA Housing Programs continues with a common goal to fill vacancies as expeditiously as possible. Vacancies that do not have a waitlist are posted on the AHA website and applications are available through contacting the resident managers, as well as GoSection 8, the Section 8 online search engine and on Craig's List.

RENT COLLECTIONS

The attached table (Attachment 1) provides the collection rate versus budget for all AHA owned and managed, affiliate owned, and managed by The John Stewart Company (JSCo). An explanation for properties with a collection rate below 98% or above 100% is provided below.

The collection rate for Parrot Village and Gardens is 90.7% and China Clipper is 96.3%. This is primarily the result of missed rent payments by residents affected by income loss due to COVID 19. All residents have been given the SB-91 Notice and have been referred to LifeSTEPS. JSCo



Honorable Chair and
Members of the Board of Commissioners

May 19, 2021
Page 2 of 3

and AHA are sending out monthly statements to residents to encourage payment plans. In the first week of April AHA and JSCo staff submitted for rental reimbursement for all past due residents on the Alameda County website. Residents have already started to login and upload their documents to verify the need; LifeSTEPS case workers are assisting residents to complete this step. Evictions due to non-payment of rent are currently prohibited by state and federal law.

RENT INCREASES

Rent increases for 2020 were issued through the end of June 2020. As staff reported previously, due to the existing health crisis, AHA temporarily ceased all rent increases, except annual PBV rent increases, through June 30, 2021. Rents for subsidized properties are expected to move to the payment standard on August 1, 2021.

AHA continues its process of rightsizing over housed households. All households who are over housed and have a HCV, have been, or will be, offered an opportunity to move to the correct sized unit when available, provided they are in good standing with AHA.

ADDITIONAL UPDATES

Staff continues to review and update our policies and procedures as the pandemic progresses. Staff continues to focus on mitigating risk to tenants and themselves during the health situation and to operate the properties as efficiently and effectively as possible within the various constraints that the existing parameters require.

Social Services

Staff continues to be in discussions with LifeSTEPS to ensure there is ongoing support for tenants, especially during these very trying and challenging times. LifeSTEPS has been providing remote aid to tenants and households and continues to link them to financial service agencies, as needed. LifeSTEPS is providing Zoom classes to foster greater interaction among tenants and decrease the sense of isolation many of AHA's tenants are feeling, especially those who live alone.

AHA tenants continue to avail themselves of the Food Bank services during the Shelter in Place. AHA continues to manage the logistics of these services, including providing staff to package, and deliver the food to the front door of 150 households on a bi-weekly basis. Staff from different departments participate in this activity.

Maintenance

Staff continue to focus on turning vacant units with an ongoing financial savings by carrying out this work in house. During the month of April staff resumed processing all routine work orders in occupied units. Protocols have been established to mitigate face to face interactions with tenants and staff when work takes place in the units. Given that most people tend to be home when maintenance is to enter, there is a questionnaire and protocols that must be adhered to if work is to be completed in the occupied units.

HQS inspections began the first week of April 2021, starting with the AHA-owned properties. To this end, staff are working on a plan to make sure units are ready for these inspections.

The attached table (Attachment 1) shows the work orders completed for April 2021.



Honorable Chair and
Members of the Board of Commissioners

May 19, 2021
Page 3 of 3

Police Contract

Staff continue to discuss the long-standing police services agreement with the City and will return to the Board with an update at a later meeting.

Capital Projects

The attached table (Attachment 2) summarizes Housing Authority budgeted Fiscal Year 2020-2021 capital projects currently underway.

FINANCIAL IMPACT

Report only, no financial impact.

RECOMMENDATION

Accept the Monthly Overview Report for Property Operations.

Respectfully submitted,

DocuSigned by:
Stephanie Shipe
067A82C02F5F4B1...

Stephanie Shipe
Director of Portfolio Management

Attachment(s):

1. Property Performance for the month of April
2. FY 2020-2021 Capital Projects Update

ATTACHMENT 1

Month of April 2021

Property Name	Owned by	Managed by	Total units	Senior or Family	Manager units	Gross Potential Rent	Tenant Rent Collected	Subsidy collected	Total Rent Collected	% collected
Independence Plaza	AHA	AHA	186	Senior	1	\$ 201,889	\$ 138,732	\$ 61,136	\$ 199,868	99.0%
Anne B Diament	AHHC	AHA	65	Senior	1	\$ 103,896	\$ 23,096	\$ 81,450	\$ 104,546	100.6%
Esperanza*	AHA	JSCO	120	Family	1	\$ 345,225	\$ 72,251	\$ 270,545	\$ 342,796	99.3%
China Clipper*	AHHC	JSCO	26	Family	1	\$ 45,769	\$ 11,998	\$ 32,087	\$ 44,085	96.3%
Scattered Sites*	AHA	JSCO	34	Family	0	\$ 48,802	\$ 11,931	\$ 36,871	\$ 48,802	100.0%
Parrot Village and Gardens*	AHA	JSCO	58	Family	1	\$ 151,923	\$ 27,585	\$ 110,152	\$ 137,737	90.7%
Littlejohn Commons*	ICD	JSCO	31	Senior	1	\$ 52,265	\$ 13,350	\$ 41,393	\$ 54,743	104.7%
Everett Commons*	ICD	JSCO	20	Family	1	\$ 50,095	\$ 9,339	\$ 40,756	\$ 50,095	100.0%
Eagle Village*	AHA	JSCO	36	Family	1	\$ 83,377	\$ 15,134	\$ 68,374	\$ 83,508	100.2%
TOTAL			576		8	\$ 1,083,241	\$ 323,416	\$ 742,764	\$ 1,066,180	98.4%

Property Name	Owned by	Vacant units at month end	Vacancy rate %	Units offline for rehab	Vacancy rate excluding offline units	Move ins scheduled in next month	Anticipated move outs next month	Maintenance requests completed	Evictions pending with legal
Independence Plaza	AHA	1	0.5%	0	0.5%	2	0	140	1
Anne B Diament	AHHC	1	1.6%	0	1.6%	1	0	36	
Esperanza*	AHA	4	3.4%	0	3.4%	4	3	61	1
China Clipper*	AHHC	0	0.0%	0	0.0%	1	1	7	
Scattered Sites*	AHA	3	8.8%	0	8.8%	2	1	27	
Parrot Village and Gardens*	AHA	3	5.3%	0	5.3%	3	1	16	
Littlejohn Commons*	ICD	0	0.0%	0	0.0%	0	0	4	
Everett Commons*	ICD	0	0.0%	0	0.0%	0	0	8	
Eagle Village*	AHA	2	5.7%	0	5.7%	1	1	23	
TOTAL		14	2.4%	0	2.4%	14	7	322	2

ATTACHMENT 2

Capital Projects Update

FY 2020-2021 Capital Projects-Scheduled

Property	Project	Original Contract or Budget Amount	Approved Change Orders	Current or Revised Budget Amount	Original Substantial Completion	Expected or Actual Substantial Completion	Status
AHA Office	Garage Partial Conversion	1,200,000				TBD	Architecture firm selected and initial work started
AHA Offices	Office Upgrades related to COVID-19	150,000					Ongoing
AHA Office	New Maint Van (w/rear & side doors)	45,000				March 2021	Complete
All Properties	Paint & Carpet 10% of Portfolio	420,000				ONGOING	Ongoing at unit turns; remainder of portfolio pending lifting Shelter in Place
Anne B Diamant	Balcony Repairs (44 Balconies)	100,000					Pending lifting of shelter in place and RFP issuance and award
Esperanza	Site Work (Lender Required)	100,000		86,500		8/21/2020	Complete
Independence Plaza	Exterior Renovations (walkway lighting, trellis repairs)	150,000					Anticipate Issuance of RFP in 2021
Independence Plaza	Balcony Repairs (125 Balconies)	250,000					Pending lifting of shelter in place and RFP issuance and award
Parrott	Parking Lot Seal & Stripe					11/15/2020	Complete
Parrott Gardens	Roof Repair--1854 St. Charles	22,000				10/31/2020	Complete
North Housing	Demolition and Related Costs	3,000,000		5,204,000			See HCD Report

FY 2019-20 Capital Projects Update (Scheduled)

Property	Project	Original Contract or Budget Amount	Approved Change Orders	Current or Revised Budget Amount	Original Substantial Completion	Expected or Actual Substantial Completion	Status
Anne B Diamond & Independence Plaza	Balcony Assessment	200,000	0	200,000	11/1/2019	12/15/2019	Inspections COMPLETE; ABD report received & currently under review; IP report scheduled for review
Sheman Street	Plumbing	25,000	0	80,000	11/1/2019	11/30/2020	COMPLETE
Lincoln House	Fire Damage	101,000	-	236,500	11/26/2019	10/30/20	COMPLETE
Independence Plaza	ADA Doors	160,000	0	68,000	8/2/2019	11/15/2019	COMPLETE
Independence Plaza	Sprinkler Inspectors/Repairs	14,995	0	14,995	10/15/2019	10/15/2019	COMPLETE
Sherman Street	Roofing	145,000	0	145,000	10/18/2019	10/18/2019	COMPLETE
Haight Avenue	Renovation Project (Pending Acquisition)	500,000	-	500,000	-	-	No update, project pending acquisition
Rosefield Village	Redevelopment Project	7,000,000	-	7,000,000	2020	2020	See HCD Report
North Housing	Demo/New Construction	3,000,000	-	3,000,000	2024	2024	See HCD Report

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Stephanie Shipe, Director of Portfolio Management

Date: May 19, 2021

Re: Accept a memo regarding installing cameras at Esperanza Plaza

BACKGROUND

In September 2020, the Housing Authority notified the Board that staff was looking into the feasibility of installing cameras at Esperanza Plaza apartments. Traditionally, camera systems were hardwired throughout the property and connected back to a recording system at a designated location. It was not until recent advances in technology that we could upload data to the cloud and remove the hardwired system all together.

DISCUSSION

Previously staff engaged a traditional camera company, Dynamic Security Technologies, to install wired cameras that would be hard wired to a DVR back in the main office. Once data was at the DVR, it could then connect to the local internet source and upload images to the web for remote viewing. Due to Esperanza's size the cost to install this type of system was approximately \$134,000. This included extensive trenching and electrical work throughout the property.

Next staff engaged with, Stealth Monitoring, and they supplied a bid for \$32,390 for hardware alone. However, after they came out to the property, they informed us that we would have to hire a third party contractor to do extensive trenching and electrical work so they could install their cameras. We engaged with two electrical companies that replied that they did not want to bid on the work after walking the property.

Finally, staff met with Verkada and IT Jockeys about the feasibility of their system since it was all cloud based and would not require a DVR. The cameras would upload data directly to the cloud, they only needed access to electricity from the building and to be in range of a WiFi signal. There are numerous advantages to this system. The first is when software becomes outdated they can immediately push out updates to the cameras directly, this would save money in needing to manually update and/or replace outdated hardware. Next, these cameras offer the option to be alerted for certain activities that occur in an area, example would be loitering during certain hours of the day. Another option these cameras have are facial recognition, this could be helpful in identifying people who commit crimes or lease violations on the property. The cameras and their footage would be the property of Esperanza and any release of this information would have to fall in line with the Housing Authority Policy on the Release of Tenant, Participant, Applicant, Vendor and Landlord Personally Identifiable Information memo passed on April 15th, 2020 by the board. Verkada provided us with a bid for fifteen (15) cameras and nine (9) wireless access points fully installed for \$59,339.49.

FINANCIAL IMPACT

The total cost is expected not to exceed \$60,000. to IT Jockeys for Verkada cameras and installation.

RECOMMENDATION

Accept the memo regarding installing cameras at Esperanza Plaza.

Respectfully submitted,

DocuSigned by:
Stephanie Shipe

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Stephanie Shipe
Director of Portfolio Management

Attachment(s):

1. Proposal #1060 from IT Jockeys
2. Map of proposed Camera placement

Attachment 1

Proposal

Date	Proposal #
4/14/2021	1060

This Proposal Has Been Created For:

Esperanza Apartments
 1903 3Rd Street
 Alameda, CA 94501
 USA

IT Jockeys, LLC.
 681 Main Street, Suite 220
 Placerville, CA 95667

916-750-1133
 kristin@itjockeys.com

Description	Prepared By:	JH
	Qty	Total
----- CAMERA COMPONENTS -----		
Verkada CD51-E Outdoor Dome Camera, 5MP, Zoom Lens, 30 Days of Storage	15	12,589.50T
Verkada L-Bracket Mount	15	1,425.00T
Verkada 3 Year Camera License	15	5,239.50
Shipping & Handling, including any tariffs.	1	309.76
----- WIRELESS NETWORK COMPONENTS -----		
Mimosa C5x 4.9-6.4 GHz , 8 dbi modular radio, optional configuration as PTP or PTMP radio.	8	1,039.92T
Mimosa A5c 4.9-6.2 GHz , 802.11AC 4X4 MU-MIMO WiFi Connectorized Access Point, PTMP / PTP	1	789.99T
Mimosa N5-45X2, 4.9-6.4 GHz 45 deg sector antenna, 19 dbi gain, 2 port.	2	559.98T
Mimosa N5-X16, 4.9 - 6.4 GHz modular twist-on antenna, 150 mm (~6") horn for C5X, 16 dbi gain.	8	479.92T
LMR 195 N-MALE TO N-MALE 18" CABLE WITH BOOTS 1PK	4	99.96T
Antenna Mounts for PTP / PTMP Access Points (AP)	8	1,400.00
Mimosa PoE Gigabit 56v Passive PoE wall plug (compatible with A5X and C5X).	9	179.91T
Shipping & Handling, including any tariffs.	1	375.00
----- NETWORKING COMPONENTS -----		
5-Port Gigabit Desktop Switch with 4-Port PoE, 56w Total PoE, 15w per port.	9	584.91
Shireen Outdoor CAT6 FTP - Shielded - 1000ft Spool.	2	539.98T
Gray 24/4 Solid CAT5e Ethernet Cable (per Foot)	1,000	150.00
Connector RJ45 CAT5/5e - end Pass Through one-Piece Ethernet.	100	85.00
Outdoor Weather Enclosure(s)	9	1,215.00
----- ELECTRICAL COMPONENTS -----		
Electrical repairs, or new installation(s).	9	3,825.00
Cable Conduit	1,000	400.00
----- SUPPORTING HARDWARE AND MATERIALS -----		
Boom Lift Rental (2 Weeks)	1	1,800.00
Misc. Hardware and Fasteners	1	250.00
Thank You !!	Total	

Customer Signature

Proposal

Date	Proposal #
4/14/2021	1060

This Proposal Has Been Created For:

Esperanza Apartments
 1903 3Rd Street
 Alameda, CA 94501
 USA

IT Jockeys, LLC.

681 Main Street, Suite 220
 Placerville, CA 95667

916-750-1133

kristin@itjockeys.com

Description	Prepared By:	JH
	Qty	Total
----- PROFESSIONAL SERVICES -----		
Cable, Connectors and Organization.	1	3,500.00
- Wireless and Network Cabling, Mount / Route		
WiFi, PTP, PTMP network installations and configurations.	1	8,500.00
Network device installation and configurations.	1	3,750.00
- Outdoor Enclosures with Electrical, PoE and Switch Installation		
New camera installations and configuration.	1	8,525.00
- Mounting and Software Configurations		
Sales Tax		1,726.16
Thank You !!	Total	\$59,339.49

Customer Signature _____



- Wireless Access Point (Secondary)
- Wireless Access Point (Primary)
- ▲ Outdoor Camera Location



Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
From: Sylvia Martinez, Director of Housing Development
Date: May 19, 2021
Re: Accept the Monthly Overview Report for Housing Development

BACKGROUND

This memo provides an overview of the Housing Development departmental activities for the prior month.

DISCUSSION

Island City Development

The Housing Authority previously made two predevelopment loans to Island City Development (ICD) on behalf of two development projects: North Housing and Rosefield Village. The loan balance and project details are discussed in the subsequent project specific Board reports.

Affordable Housing Project Pipeline

Rosefield Village – An update report on the project is presented as a separate Board item.

North Housing – An update report on the project is presented as a separate Board item.

Feasibility Studies – The feasibility studies of two potential projects were discussed in the Closed Session of the January 20, 2021 Board Meeting. One is on hold and the second is in process. Staff is also evaluating land and other purchase opportunities that have been brought to the attention of the Housing Authority.

Staff continues to evaluate potential real estate development and acquisition opportunities throughout Alameda as they become available. As part of preparing for additional active pipeline projects, staff is actively procuring a number of development consultants and refreshing its qualifications lists.

New Funding Opportunities

Staff is exploring several new funding opportunities, including the Local Housing Trust Fund (State of CA) NOFA which will open July 15-July 30, \$57 million total available. This opportunity can provide matching funds up to \$5 million per trust fund applicant. Some features include:

- Bonus points for 'new' housing trust funds - AHA would qualify.



- Bonus points for non-in-lieu fees and commitment of general resources – AHA’s commitment of reserves could qualify.
- Ability to reapply in future years.
- Funds can be used for creation, rehabilitation, preservation of affordable housing, transitional housing and emergency shelters. Special focus on deeply affordable housing (30-60% AMI).
- 5% of the funds may be used for operations (matching operating funds from the local sources).
- Requirements: Published loan guidelines and underwriting standards; deposit of the local match into a dedicated fund, actual project awards (preferred).
- Questions: Can we prioritize North Housing? Which AHA funds fully qualify? Can AHA act on time for the minimum requirements?

Asset Management

In the absence of staff dedicated to asset management, Property Management and Housing Development staff continue to complete the monthly financial review of all properties and recently submitted quarterly lender reporting. Staff is finalizing budgets with 3rd party property management company, The John Stewart Company. Staff is continuing to work with the working group on the AAHC properties transfer project.

Staffing

AHA is recruiting for a new Asset Manager. Once this individual is identified, the Asset Manager role will transition to the Portfolio Management division, to work more closely on portfolio oversight.

The Housing Department is taking a lead on recruitment for two summer interns for the AHA this summer. Twenty-five applications and resumes have been received and are currently being evaluated for this opportunity.

RECOMMENDATION

Accept the Monthly Overview Report for Housing Development.

Respectfully submitted,

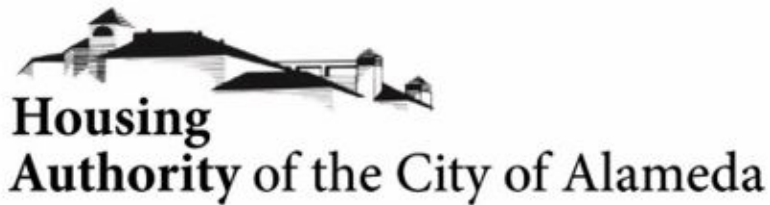
DocuSigned by:
Sylvia Martinez

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Sylvia Martinez

Director of Housing Development





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 TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
 From: Allyson Ujimori, Senior Project Manager
 Date: May 19, 2021
 RE: Accept the Monthly Development Report for Rosefield Village

BACKGROUND

The Housing and Community Development Department provides monthly reports on projects under construction where either the Housing Authority of the City of Alameda (AHA) or Island City Development (ICD) is acting as developer and provides performance guarantees.

The Rosefield Village project includes new construction of 78 units and renovation of 14 units, totaling 92 units, located on the 700 block of Buena Vista Ave. ICD is the developer. The overall project scope includes both rehabilitation of existing structures and construction of a new building in the middle of the site. In addition to the 78 units, the new central building includes onsite laundry, property management offices, social service coordination offices, a community room, and central courtyard with play structures. Twelve existing units, in five buildings, on the east and west sides of the new building will be renovated, and one house will be converted into a duplex. Please see previous monthly Board Reports for project details prior to this month's update.

DISCUSSION

The overall project completion and billing percentage through April 30, 2021 is approximately 21%.

This month's construction activities included site work, trenching for underground utilities, roofing and drywall installation for rehab buildings, preparing the concrete foundation, and first- and second-floor framing of the new multi-family building. There are no change orders this month.

Owner contingency funds are held separately from the contract and when change orders are approved, the original construction contract value will increase accordingly as shown in the table below.

Contingency Utilization

	Original Budget	Previous Revisions	Current Revisions	Revised Budget
Construction Contract	\$38,218,849	\$386,548	\$0	\$38,305,399.00
Hard Costs Contingency	\$4,586,262	-\$386,548	\$0	\$4,199,716.00
Soft Cost Contingency	\$300,000	-\$155,037	\$0	\$144,965.00



General Construction Contract Utilization

Contract Total	Value of Work Completed to Date	Retention Withheld	Amounts Paid to Date	Balance to Finish
\$38,586,591	\$8,130,918	\$688,901	\$5,299,664	\$31,163,380

Staff continues to work with AHA Property Management Department and the John Stewart Company on temporary relocation needs for the remaining households for when their units are scheduled for renovation. On March 31, 2021, one of two households at 738 Eagle Ave moved out. Below is an update on the relocation status through April 30, 2021:

Total Units	Vacant Units	Moves Completed	Currently Occupied	Remaining Units to Permanently Relocate	Remaining Units to Temporarily Relocate
53	50	30	3*	0	2

* There is one unit at 738 Eagle Ave, and the one building was previously renovated. The John Stewart Company will do a routine unit turnover and lease-up the unit.

FINANCIAL IMPACT

ICD funds were advanced to Rosefield to fulfill the General Partner Capital Contribution requirements. These funds of \$1,115,000 will be outstanding for most of 2021 but will be repaid in three tranches, one of which has been approved and funded. The Finance department is working with HCD to track these internal disbursements and repayments, and the funding of the GP Capital Contribution is documented in an internal memo.

The current construction draw schedule is shown below. The "\$ Disbursed" includes the current draw amount.

	\$ Budget	\$ Disbursed	% Disbursed	\$ Balance
Land & Buildings	\$17,435,451	\$17,435,451	100%	\$0
Hard Costs	\$43,285,111	\$7,645,296	18%	\$35,719,815
Soft Costs	\$15,791,616	\$5,924,634	32%	\$9,797,349
Total	\$76,512,178	\$31,005,381	41%	\$45,517,164

RECOMMENDATION

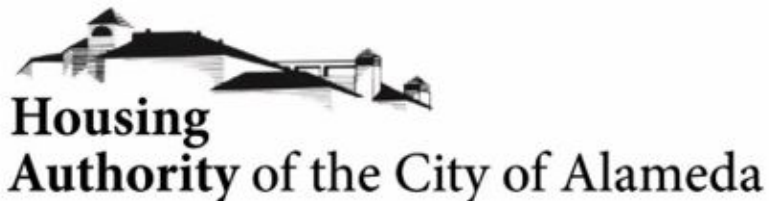
Accept the Monthly Development Report for Rosefield Village.

Respectfully submitted,

DocuSigned by:
Allyson Ujimori
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Allyson Ujimori
Senior Project Manager





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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
 From: Daniel Mills, Management Analyst
 Date: May 19, 2021
 Re: Accept the Monthly Overview Report on Procurement

BACKGROUND

This memo provides an overview of the procurement activities for the agency for the month of April.

DISCUSSION

Staff continues its internal status review of all department contracts and procedures to ensure compliance and address any deficiencies. A listing of recently closed, current and upcoming RFQs and IFBs can be found at the end of this overview.

Developing systems and processes to further automate and standardize procurement, both inter and intra departmental, will be a focus moving forward. This includes, but is not limited to, centralizing and maintaining contractor lists, contract information and procurement documents, enhancing Yardi utilization, and account reconciliation. Development and implementation will be a team effort within departments and AHA and we will inform the Board of all developments.

Other Procurement Notes:

- Staff is having ongoing discussions with some vendors to ensure compliance with contract expectations. In some areas, this has resulted in increased monitoring and deferring payments on invoices.
- As previously reported, we have decided to enter into a contract with CivicPlus to purchase CivicClerk, their Board Management Software, to assist in generating and distributing the scheduled Board memos. The contract has been executed and implementation has begun. Staff will provide the Board with training on the new system prior to rollout which is now expected in June.

AHA solicitations can be found here:

http://www.alamedahsg.org/working_with_us/business_opportunities.




A summary of current, past and upcoming RFPs and ITBs is provided below:

RFP/IFB	Description	Status
ADA 504 Transition Plan	For all AHA owned sites.	RFP issued on May 6.
Benefits Broker	For AHA personnel.	RFP to be issued in 2021.
Board Memo Management	Services and support.	Contract signed. Implementation started.
Copier Services	For the AHA Office.	RFP to be issued in July.
Eviction Legal Services	AHA managed sites.	Extension executed.
Inspection Services	For HQS.	RFP closed, under internal review.
Payroll Services	For AHA personnel.	RFP to be issued in late 2021.
Recruiting Services	For AHA open positions.	Complete and awarded.
Social Services	All AHA & ICD sites.	Short-term contract signed. Will be rebid by September
Website Services	For the main AHA website.	To be issued in early May.

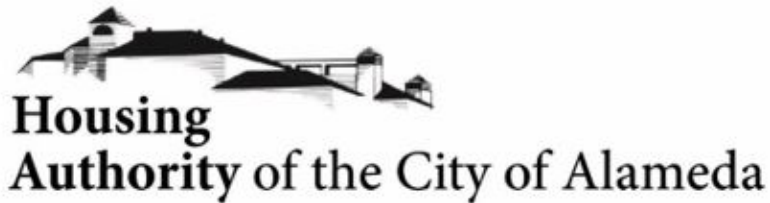
RECOMMENDATION

Accept the Monthly Overview Report on Procurement.

Respectfully submitted,



Daniel Mills
Management Analyst



PHONE (510) 747-4300
 FAX (510) 522-7848
 TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Louie So, Director of Finance

Date: May 19, 2021

Re: Accept the Fiscal Year to Date Financial Report through the Month of March 2021

BACKGROUND

This high-level, Finance and Budget Variance Report covers preliminary unaudited financial operating results compared to the FY 2020-21 budget for the period from July 1, 2020 through the month ending March 2021. Although the audited financial statements are on an accrual basis, the month-to-month financials are on a hybrid accrual and cash basis. The numbers presented are subject to change based on the adjustments from the final audited financial statement report.

On June 19, 2019, the Board of Commissioners approved a one-year operating budget for all programs covering fiscal year July 1, 2019 through June 30, 2020. On June 24, 2020, the Board of Commissioners approved a one-year operating budget for the period covering fiscal year July 1, 2020 through June 30, 2021. The FY 2022 budget will be brought to the Board of Commissioners in June 2021.

The financial reports include five properties which were transferred to AHA's affiliate, Alameda Affordable Housing Corporation (AAHC) (Anne B. Diament, China Clipper Plaza, Stanford House, Lincoln-Willow Apartments and Independence Plaza). All members of the Board of Commissioners also serve as the Board of Directors of AAHC.

As part of the strategic plan, AHA staff is adopting a simplified format to track financial performance of the authority on a quarterly basis. This will be implemented later this year.

DISCUSSION

Overview

The following Financial Snapshot showcases Net Operating Income (Cash Flow of AHA) for the fiscal year to date. Further discussions on the cause of these variances are presented below.



Honorable Chair and
Members of the Board of Commissioners

May 19, 2021
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July 2020-March 2021 Financial Snapshot	PTD Actual	PTD Budget	Variance	% Var
TOTAL REVENUE	40,560,986	36,992,898	3,568,088	9.65
LESS: OPERATING EXPENSES	34,821,855	36,844,430	2,022,576	5.49
NET OPERATING INCOME BEFORE DEPRECIATION	5,739,131	148,468	5,590,664	3,765.58

The following Risk Indicator showcases whether AHA has sufficient cash and investments to meet its near-term obligations. Furthermore, the high level AHA Debt to AHA Assets percentage of 45% showcases that AHA is lowly leveraged.

March 2021 Performance Indicator	Cash	HAP	Months Covered
CASH AND INVESTMENTS/TOTAL HAP	33,447,644	2,800,419	11.94
	Cash	OPEX	Months Covered
CASH AND INVESTMENTS/OPERATING EXPENSE	33,447,644	4,023,617	8.31
	Cash	HAP + OPEX	Months Covered
CASH AND INVESTMENT/HAP AND OPERATING EXPENSE	33,447,644	6,824,036	4.90
	Total Liabilities	Total Assets	Leverage Percentage
PERCENTAGE DEBT TO ASSETS	95,084,999	212,353,731	45%

Third Party Management

AHA has outsourced Eagle Village and Rosefield Village projects to The John Stewart Company (JSCO) prior to 2019. Additional AHA and AAHC properties were transferred to JSCO's management on July 1, 2020 including Parrot Gardens, Parrot Village, Detached Homes, Sherman Street, Lincoln House, Senior Condos, Stanford House, Lincoln Willow and China Clipper Plaza Apartments. Esperanza was outsourced to JSCO on January 1, 2021. Income and occupancy figures are provided in the Monthly Overview report for Property Operations for the properties managed by JSCO. AHA receives financial statement packages from JSCO for these properties on a monthly basis by the 3rd business week of the following month, and the financial activity of the properties are consolidated and presented in the exhibits attached to this memorandum.

Furthermore, AHA Staff from all departments are in discussion with JSCO on the transfer of Esperanza, Eagle Village and Parrot Village from AHA to AAHC on July 1, 2021.



Honorable Chair and
Members of the Board of Commissioners

May 19, 2021
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Operations Budget – Revenue

July 2020-March 2021	PTD Actual	PTD Budget	Variance	% Var
TOTAL TENANT REVENUE	10,146,993	9,608,468	538,525	5.60

Year-to-date - Rental income (Total Tenant Revenue) of \$10,146,993 is predominantly made up of Housing Assistance Payments (HAP) received for AHA units, the tax increment subsidy for Independence Plaza, and tenant rents received. This is higher than budget by \$538,525 or 5.60% due mostly to higher HAP than budgeted, offset by a lower amount of tenant rent collections and tax increment payment from the City of Alameda. Please note that the tax increment subsidy for Independence Plaza is received as one lump sum from the City of Alameda and recognized on a monthly prorated basis on the financial statements.

Total Other Income and Restricted Income is lower than budget by \$432,679 (23.80%). This is mostly attributable to account 711092 Professional Service Revenue as Rent Program and Housing Development reimbursements from the City of Alameda are in arrears by several months. AHA staff has followed up on these outstanding MOU reimbursements and the City. Additionally, \$100,000 in budgeted fee from the AHA/ICD services agreement was paid in February 2021. Interest earned from CAMP and LAIF are lower than budget due to the low interest rate environment, and LAIF investments are earned on a quarterly basis in arrears.

In November 2020, an additional \$1,399,195 was provided through the Alameda Unified School District Recognized Obligation Payment Schedule. These funds have been allotted to Rosefield Village rehabilitation.

Going forward, AHA can expect a lower than projected collection of the tenant portion, due to the current health crisis and related job losses. This has been offset by higher HAP subsidy received so total tenant rents and related HAP is higher than budget by \$449,808 on a net of vacancy basis. Staff will continue to monitor tenant and HAP income closely. Please see Monthly Overview Report for Property Operations for more information.

For the past several years, Administrative Fees from HUD have not fully funded the Housing Programs Department, and the Section 8 Program has been subsidized by income from AHA properties. Although the recent CARES Act provided two additional months of Administrative Fee, this is not expected to cover the additional costs incurred due to the current health crisis. AHA has received an additional \$350,010 in May 2020 from HUD and an additional CARES Act Administrative Fee funds of \$421,086 was received from HUD in August 2020. The uses and timing of these funds are restricted. Due to the CARES Act funding, Administrative Fee income from HUD is higher than budget by \$539,355 (40.16%).



Honorable Chair and
Members of the Board of Commissioners

May 19, 2021
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Furthermore, as AHA was in HAP shortfall in 2020, AHA applied and received additional HAP funding with HUD in September 2020 of \$1,362,837. As of September 2020, AHA is officially out of HAP shortfall status with HUD.

Expenses

July 2020-March 2021	PTD Actual	PTD Budget	Variance	% Var
TOTAL OPERATING EXPENSE	34,821,855	36,844,430	(2,022,576)	-5.49

Total operating expenses are substantially lower than the year-to-date budget by \$2,022,576 (5.49%). This is mainly due to lower salary and benefit expenses, which are under budget due to vacant positions for most of the fiscal year to date (see Monthly Overview Report for Operations, H.R. and I.T.). We expect these operating expenses to increase as AHA is almost fully staffed, with several positions in active recruitment. Additionally, a conservative approach was taken during the FY 2021 budget process. Housing Development, Finance, Portfolio Management and The John Stewart Company staff meet regularly to review the financial statements to monitor actuals versus budget amounts.

Housing Assistance Payments (HAP) Pass-through

July 2020-March 2021	PTD Actual	PTD Budget	Variance	% Var
TOTAL HUD GRANT (HAP + ADMIN FEES)	27,304,452	25,219,976	2,084,476	8.27
TOTAL HOUSING ASSISTANCE PAYMENTS (VOUCHER)	25,270,186	24,223,273	1,046,913	4.32

The Housing Assistance Payments (HAP) pass-through includes all the Housing Choice Voucher/Section 8, Shelter Plus, and Bessie Coleman (SRO) programs. Year-to-date HAP revenue (8010000 HUD Operating Grants) is \$1,585,288 (6.64%) higher than budget which is driven by the additional HAP shortfall funds of \$1,362,837 stated previously. Staff continues to make progress on \$303,824 (Account 9700800 Port-In AR Billings) in accounts receivable for Port-In billings from other public housing authorities. This amount is subject to change due to net Port-Outs. Port-In billing collections was not budgeted in the FY 2021 budget process as it's dependent on other housing authorities and participant portability.

Shelter Plus Care revenue is paid in arrears by the Alameda County Housing and Community Development Department and billed amounts is \$21,430 below budget (6.19%). Billing typically averages approximately \$30,000/month. Staff is in discussions with the County of Alameda for the balance of 4 months of funds in arrears.

Statement of Net Position

The Housing Authority has adequate cash resources for operations. As of March 31, 2021, AHA, AAHC and its affiliates have \$15.8 Million in cash, and \$17.6 Million held in



Honorable Chair and
Members of the Board of Commissioners

May 19, 2021
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LAIF and CAMP investments. A rebalancing of investments between CAMP and LAIF will be completed in by June 2021.

Please see below to showcase a breakdown of AHA's cash position and restricted and unrestricted cash breakout.

I) Cash and Cash Equivalents Position	
Period = Mar 2021	
Cash	15,810,699
LAIF (Local Area Investment Fund)	11,631,953
CAMP (California Asset Management Program)	6,004,992
Total Cash and Cash Equivalents	33,447,644
II) Restricted and Unrestricted Cash and Equivalents Breakout	
Period = Mar 2021	
Restricted Property Funds (Security Deposit, Replacement Reserve, etc.)	1,317,083
Restricted Federalized Funds (Section 8, Family Self Sufficiency, etc.)	2,085,332
Unrestricted Cash	30,045,229
Total Cash and Cash Equivalents	33,447,644
III) AHA Fiscal Year Board Restricted Cash Disbursements	
Constitution & Eagle, L.P. - AHA Cash Loan - BoC Restricted June 2020, Disbursed August 2020	1,483,052
ICD - North Housing Predevelopment Loan - BoC Restricted November 2020, Disbursed March 2021	2,408,000

OTHER ISSUES IMPACTING FINANCE DEPARTMENT

COVID-19 Mission Critical Tasks:

Due to the effects of the health situation, the finance management team has been prioritizing the following mission critical tasks:

- (1) Review new regulatory and tax pronouncements stemming from COVID-19 and how they may apply to AHA, AAHC, and its affiliates. This includes CARES Act administrative fee increases, reporting on CARES Act funds, and the American Rescue Plan Act (Passed in March 2021)
- (2) Continue to ensure Housing Assistance Payments are paid to landlords and AHA owned properties timely and to transfer landlords receiving a paper check to ACH for swifter payment and to reduce postage costs.



Honorable Chair and
Members of the Board of Commissioners

May 19, 2021
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- (3) Continue to ensure payroll to our employees are paid timely and with no interruption.
- (4) Allow vendors the ability to submit invoices electronically through a web portal (Yardi VendorCafé) and allowing AHA the ability to pay via electronic funds transfer versus paper checks.
- (5) Continue to liaise with auditors remotely to ensure documents (redacted of PII) the auditors can continue their review offsite.

Staffing

Nan McKay and Associates continues to provide limited consulting services including HUD's monthly Voucher Management System (VMS) report and the annual unaudited Financial Data Schedule (FDS). Currently, the Finance Department is fully staffed, and an additional finance consultant is being utilized for special projects.

Audit and Tax

AHA

AHA's single audit and final audit FY 2019 FDS was submitted to HUD's Real Estate Assessment Center (REAC) in March 2020 and the Federal Audit Clearinghouse. The audited FY 2019 FDS was rejected in May 2020. Finance staff, Citrin Cooperman, and Nan McKay discussed the response prior to resubmittal. AHA staff resubmitted the FDS in September 2020 prior to the deadline of September 30, 2020. In late October 2020, HUD staff rejected the 2nd submission. A third submission to REAC was submitted in January 2021 and is pending review. The questions posed by HUD are not controversial in nature, and mostly referenced the disclosures of the audited financial statements. HUD staff approved the FY 2019 FDS in March 2021.

The unaudited FY 2020 FDS was submitted timely to REAC on October 30, 2020, including a new section on how AHA spent CARES Act funds in FY 2020. This was approved by REAC in January 2021 with minimal comments.

On March 2021, HUD provided an extension of the audited FY 2020 FDS to June 30, 2021. The audited financial statements are presented under the memorandum "Accept the Audit Report for Fiscal Year Ending June 30, 2020 and Authorize the Executive Director to Approve and Finalize Minor Changes to the June 30, 2020 Audit Report." Once the audited financial statements are finalized, AHA staff will submit the audited FYS 2020 FDS to REAC.

AAHC

Although AHA is exempt from filing a federal tax return, AAHC is required to file a tax return. The June 30, 2020 tax return has a final extended filing deadline of May 17, 2021. The tax extensions were appropriately filed by Citrin Cooperman in October 2020. Please refer to the AAHC memorandum "Accept Report on the Federal and State Tax Returns for the Fiscal Year Ending June 30, 2020."

Island City Development



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AHA is working with the CPA firm Holthouse, Carlin & Van Tright LLP (HCVT) for audit work of Island City Development and the three low-income housing tax credit (LIHTC) project partnerships (Sherman & Buena Vista, L.P. and Everett & Eagle, L.P., and Constitution & Eagle, L.P. the "LPs"). The audited financial statements were presented to the Island City Development Board of Directors in April 2021. The tax returns are in the process of being finalized.

Additionally, various LLC affiliates have tax filing requirements throughout the year, including the tax extension deadline which will be March 15, 2021. These LLC affiliates have minimal activity and will be filed by the extended deadline of September 15, 2021.

Island City Development's audited financial statements and tax return planning has begun. The extended filing deadline of the tax return for the 2020 year is November 15, 2021.

Unfunded Pension Liabilities

On May 20, 2020, the Board of Commissioners voted to fund CalPERS \$1 Million and to continue to fund the unfunded pension liabilities under the soft fresh start mechanism. AHA funded \$1,000,000 before the end of fiscal year June 30, 2020. On an ongoing basis, AHA staff will monitor on an annual whether the accrued unfunded liability is within 90%-110% of funding level and will escalate to the Board of Commissioners on whether there is any action that will be needed. AHA staff will include in the annual audited financial statements this information in the management discussion & analysis section. Furthermore, the financial activity of the Section 115 Other Post-Employment Benefits Trust (CalPER's California Employer's Retiree Benefit Trust) will be incorporated in the consolidated audited financial statements that will be presented to the Board of Commissioners in May 2021.

Budget

An abbreviated budget for the fiscal year July 1, 2020 through June 30, 2021 was brought to the Board of Commissioners in the June 24, 2020 meeting. The Board of Commissioners passed the motion to adopt the Resolution to Approve the Housing Authority's One Year Budget for Fiscal Year July 1, 2020 to June 30, 2021. AHA staff utilized a conservative approach in FY2021 budget preparation, adopting prior year actual income as a proxy for FY2021 budgeted income. Actual tenant and HAP income have been trending higher in the last several months, and operating expenses are substantially lower than budget as AHA was not fully staffed for most of the fiscal year to date.. AHA staff are currently preparing work on the FY2022 budget to be presented to the Board of Commissioners in the June 2021 meeting.

- Housing Assistance Payments from HUD and to disbursement to Landlord
- City of Alameda Reimbursements for the Housing Development Department, Rent Programs Department and Independence Plaza Tax Increment
- Property Operations for Independence Plaza and Anne B. Diament as these are directly managed by AHA
- Property Operations for properties that are managed by JSCO
- Salaries, Benefits and Administrative Expenses



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- Planned deficits in the Housing Programs Department as there are insufficient administrative fees paid by HUD to AHA
- Capital Improvement Plan, including acquisition of sites and 701 Atlantic garage conversion into offices

The major assumptions for the FY2022 budget will include for AHA and AAHC:

- Flat rental income at the properties due to a falling rental environment
- 3% cost of living increase
- 3.2% increase in salaries and benefits costs
- Staffing changes as follows:
 - Addition of Administrative Manager
 - Addition of Construction Project Manager
 - Addition of Assistant Director of Housing Programs Department
 - Reduction of 1 Resident Manager (transfer of Esperanza to JSCo occurred in 2021)
 - Addition of Full Time Assistant Property Manager at Independence Plaza
 - Reduction of 1 Maintenance Technician (due to 1 retirement in 2021)
 - Reduction of temporary staff from 5 to 3
- \$50,000 for ombudsman and communication costs
- \$50,000 diversity, equity and inclusion work

Banking Activities

In preparation of the transfer of Esperanza, Eagle Village and Parrot Village from AHA to AAHC, additional bank accounts are being set up with Bank of America by JSCO.


Quarterly Financial Reporting

As part of the strategic plan, AHA staff is migrating to a quarterly versus monthly financial reporting. This will be implemented later this year.

RECOMMENDATION

Accept the Fiscal Year to Date Financial Report through the Month of March 2021.

Respectfully submitted,

DocuSigned by:

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Louie So, CPA
Director of Finance

Attachments:

1. Balance Sheet – March 2021
2. Budget Comparison – Revenue & Expense - Detail
3. AHA Revenue & Expense (Actual versus Budget)



Attachment 1

Balance Sheet

Period = Mar 2021

Book = Accrual

	Current Balance
1000000 ASSETS	
1100000 CURRENT ASSETS	
1101000 CASH	
1110010 Cash - Unrestricted	10,314,594.01
1110012 Cash - Reserve for Building	78,450.83
1110013 Cash - Reserve for 3rd Party Managed Buildings	95,800.49
1110014 Cash - Reserve for Equipment	2,152.00
1110018 Cash - Operating Checking with 3rd Party	2,955,808.46
1110019 Petty Cash with 3rd Party	700.00
1110020 Cash - Petty cash	500.00
1110021 Cash - Benefit Account	88,406.85
1110030 Cash - FSS	137,328.09
1110040 Cash - Replacement Reserve Bldg	312,415.00
1130030 Cash - Restricted Sec Dep	214,863.04
1140000 Cash - Tenant Security Deposits	120,546.56
1140050 Cash - Tenant Security Deposits with 3rd Party	267,119.71
1199000 TOTAL CASH	14,588,685.04
1200000 ACCOUNTS RECEIVABLE	
1240010 Accounts Receivable - Government	411,152.48
1240050 HAP Rent Receivable	119,045.23
1240070 Accounts Receivable- HUD	13,021.22
1250010 Accounts Receivable - Other	308,285.45
1250050 Accounts Receivable - 3rd Party Management	100,720.43
1255000 Subsidy Suspense Receivable	-43,318.57
1260000 Accounts Receivable - Tenant	386,881.45
1260050 Accounts Receivable - Tenant Rent with 3rd Party	154,135.81
1261000 Allowance for Doubtful Accounts -Dwelling Rent	-107,605.35
1280000 Fraud Recovery	31,294.42
1281000 Allowance for Doubtful Accounts - Fraud	-29,829.78
1290000 Accrued Interest Receivable	5,548.82
1299000 TOTAL ACCOUNTS RECEIVABLE	1,349,331.61
1300000 INVESTMENTS AND OTHER CURRENT NOTES	
1310000 Investments(LAIF)- Unrestricted	10,388,991.64
1320010 Investments - Other	200.00
1320020 Investments(LAIF) (Restricted) - FSS Escrow	-325.64
1320030 Investments(LAIF)- Building Reserve	1,074,761.22
1320040 Investments(LAIF) - Equipment Reserve	167,305.13
1350000 Investments - Restricted	0.15
1350010 Investment(LAIF)-Restricted (Jack Capon Villa Trust)	1,404.59
1350021 PFM-Cash	-184.25
1350031 Investments - CAMP	6,004,992.19
1350100 Mortgage Receivable	76,942,290.92
1350103 Mortgage Receivable-Jack Capon L. P.	95,584.51

Balance Sheet

Period = Mar 2021

Book = Accrual

	Current Balance
1350105 Loan Receivable-Security Deposit Loan	92,569.00
1350106 Loan Receivable - ICD	17,350,482.00
1350107 Loan Receivable-RCD/Stargell/Tri Pointe	2,000,000.00
1350109 Loan Receivable - Section 8	1,790,000.00
1360000 TOTAL INVESTEMENTS AND OTHER CURRENT NOTES	<u>115,908,255.71</u>
1400000 PREPAID EXPENSES	
1420010 Prepaid Insurance - Property	52,622.00
1420020 Prepaid Insurance - Liability	7,782.01
1420040 Prepaid Insurance - Worker Comp	75,457.59
1420050 Prepaid - Other	28,901.35
1420051 Prepaid Rent	20,213.17
1420070 Escrow Deposits - Property	4,272.06
1420075 Escrow Dep. PNC Hedge Res.	88,765.67
1420095 Prepaid Expense - Management Company	1,471.09
1430000 Inventories	11,029.30
1430010 Replacement Reserve-NorthMarq Loan	593,655.65
1430020 Reserve for Replacement NorthMarq	535,320.81
1440099 TOTAL PREPAID EXPENSES	<u>1,419,490.70</u>
1440105 INTERPROGRAM	
1440110 Interprogram (Due From)	2,012,647.12
1440111 Interprogram Due From Sherman St FACSA	12,725.19
1440112 Interprogram Due From Lincoln St FACSA	7,093.49
1440210 Interprogram Due From Esperanza	687.81
1440411 Interprogram Due from Detached Home	-0.02
1440452 Interprogram Due From Stargell Commons	8,156.24
1440453 Interprogram Due From Island City Development - 4530	203.94
1440601 Interprogram Due From ABD	-22,495.73
1440602 Interprogram Due From Rosefield Village - 4537	218.80
1440603 Interprogram Due From Parrot Gardens	15.11
1440604 Interprogram Due From Stanford House	4.67
1440605 Interprogram Due From Lincoln/Willow	15.12
1440606 Interprogram Due From Senior Condos	18.23
1440607 Interprogram Due From China Clipper	407.65
1440608 Interprogram Due From Regent Street Land	1,530.11
1440609 Interprogram Due From Santa Clara Land	60.19
1440610 Interprogram Due From Eagle Village	264.80
1440613 Interprogram Due From Shinsei Gardens	2,580.11
1440710 Interprogram Due From Section 8 Vouchers	435,589.63
1440899 TOTAL INTERPROGRAM	<u>2,459,722.46</u>
1500000 TOTAL CURRENT ASSETS	<u>135,725,301.27</u>
1590000 LONG TERM ASSETS	
1600000 FIXED ASSETS	
1609999 LAND AND BUILDINGS	

Balance Sheet

Period = Mar 2021

Book = Accrual

	Current Balance
1610000 Land	58,219,778.63
1620030 Buildings	30,922,109.33
1620031 Buildings Improvements	1,430,575.13
1629000 TOTAL LAND AND BUILDINGS	<u>90,572,463.09</u>
1630040 Furniture and Equipment - Dwelling	347,786.73
1630041 Furniture and Equipment - Other	137,618.31
1650000 Leasehold Improvements	14,404,401.32
1660030 Accumulated Deprecation	<u>-30,608,229.66</u>
1699000 TOTAL FIXED ASSETS	74,854,039.79
1700000 ALL OTHER ASSETS	
1740000 Other Asset	110,510.02
1770000 TOTAL ALL OTHER ASSETS	<u>110,510.02</u>
1800000 DEFERRED OUTFLOW	
1800200 Deferred Outflow of Resources	1,505,707.01
1890000 TOTAL DEFERRED OUTFLOW	<u>1,505,707.01</u>
1900000 CONSTRUCTION IN PROGRESS	
1900100 CIP - On Site Improvement	65,043.00
1900210 CIP - Architectural & Engineering Fees	60,827.50
1900230 CIP - Professional Services (Other)	17,208.00
1900410 CIP - Environmental Testing & Reports	13,800.00
1900420 CIP - Permit & Fees (plan'g,build'g,public work,school dist)	686.77
1900430 CIP - Utilities Fees	607.60
1919999 TOTAL CONSTRUCTION IN PROGRESS	<u>158,172.87</u>
1929999 TOTAL LONG TERM ASSETS	<u>76,628,429.69</u>
1999999 TOTAL ASSETS	212,353,730.96
3000000 LIABILITIES AND EQUITY	
3005000 LIABILITIES	
3100000 CURRENT LIABILITIES	
3100500 ACCOUNTS PAYABLE	
3120010 Accounts Payable<= 90 Days	133,661.96
3120011 Accounts Payable -CALPERS (employee portion)	518.53
3120012 Accounts Payable-Health Insurance (employee portion)	24.13
3120014 Accounts Payable-Garnishment (employee portion)	-128.50
3120015 Accounts Payable-Vision Insurance (employee portion)	688.60
3120016 Accounts Payable-Life Insurance (employee portion)	-35.31
3120018 Accounts Payable-PARS retirement (employee portion)	133.76
3120019 Accounts Payable-Flexible Spending Account(employee portion)	2,452.79
3120021 Employees Cobra	910.75
3120022 Accounts Payable-PERS 1959 Surv(Employee Portion)	40.92
3120023 Accounts Payable-FSA Transit Plan	507.85
3120024 Accounts Payable FSS	117,846.83
3120026 Accounts Payable FSS Interest	-28.23
3120029 Accounts Payable - 3rd Party Management Company	81,008.34

Balance Sheet

Period = Mar 2021

Book = Accrual

	Current Balance
3120030 Accrued Wage/Payroll Taxes Payable	1,101.95
3120040 Accrued Compensated Absences - Current Portion	187,022.52
3120045 Accrued Vacation Payable - 3rd Party Management	6,201.44
3120070 Accrued Payables	119,835.24
3120075 Accrued Accounts Payable - 3rd Party Management	116,085.78
3330100 Tenants- Rents Payable	9,900.00
3339000 TOTAL ACCOUNT PAYABLE	<u>777,749.35</u>
3400000 SECURITY DEPOSITS HELD	
3410010 Tenant Security Deposits	220,706.44
3410015 Tenant Security Deposits - held with 3rd Party Management	262,263.77
3410020 Tenant Security Deposits - Pets	1,050.00
3410030 Tenant Security Deposits - Gate Opener	25.00
3410040 Tenant Security Deposits - Satellite Dish/Antenna	1,500.00
3410050 Tenant Security Deposits - Interest	0.12
3410060 Tenant Security Deposits - Pooled Interest	61,619.44
3410999 Security Deposit Refund	5,950.59
3419000 TOTAL SECURITY DEPOSITS HELD	<u>553,115.36</u>
3419900 OTHER LIABILITIES	
3420000 Prepay Tenant Rent	72,703.52
3421000 Prepay Tenant Rent - 3rd Party Management	132,842.69
3425000 Unearned Revenue	382,896.00
3426000 Prepaid Ground Lease Rent	16,282,176.97
3430000 Current Portion of Long Term Debt - Capital Projects	280,985.77
3449000 TOTAL OTHER LIABILITIES	<u>17,151,604.95</u>
3470000 INTERPROGRAM	
3470050 Interprogram (Due to)	1,945,231.82
3470110 Interprogram Due To General Fund	468,483.72
3470601 Interprogram Due To Anne B Diament Plaza	19,786.00
3471000 Due To/Due From Suspense Account	102,913.80
3480000 TOTAL INTERPROGRAM	<u>2,536,415.34</u>
3499000 TOTAL CURRENT LIABILITIES	<u>21,018,885.00</u>
3500000 NON-CURRENT LIABILITIES	
3510020 Reduction to Mortgage Loan	81,907.72
3510100 Mortgage Loan Payable	21,576,686.79
3510130 Interest Payable - City of Alameda Loan	1,118,632.17
3510140 Home Fund Loan #1	216,363.20
3510143 \$3.6M Housing Authority Loan Payable	47,325,000.00
3510150 Housing Community Dev. Loan	916,399.98
3510157 Loan Payable - Esperanza	1,790,000.00
3510160 Home Fund Loan #2	282,700.00
3540000 Accrued Compensated Absences - Noncurrent	141,356.77
3570000 OPEB Liability	-128,123.28
3580000 Pension Liability	<u>909,006.40</u>

Balance Sheet

Period = Mar 2021

Book = Accrual

	Current Balance
3599000 TOTAL NON-CURRENT LIABILITIES	74,066,114.31
3999000 TOTAL LIABILITIES	95,084,999.31
4000000 Equity/Net Assets	
4000001 EQUITY	
4000100 DEFERRED INFLOW	
4001000 Deferred Inflow of Resources	1,901,463.00
4900000 TOTAL DEFERRED INFLOW	1,901,463.00
4999999 CONTRIBUTED CAPITAL	
5010000 Net Investment in Capital Assets	7,986,217.78
5080050 Capital Paid In	3,313,806.00
5090000 Unrestricted	81,569,107.92
5120000 Unrestricted	22,045,058.32
5120010 Net Restricted Assets	453,078.63
5950000 TOTAL CONTRIBUTED CAPITAL	115,367,268.65
5999900 TOTAL EQUITY	117,268,731.65
6000000 TOTAL LIABILITIES AND EQUITY	212,353,730.96

Attachment 2

Budget Comparison (with PTD)

Period = Jul 2020-Mar 2021

Book = Accrual

	PTD Actual	PTD Budget	Variance	% Var
6999990 INCOME				
7000000 REVENUE				
7020000 TENANT REVENUE				
7030000 Tenant Rental Revenue	2,934,693.85	3,379,083.12	-444,389.27	-13.15
7030030 Maintenance Charges	3,299.70	0.00	3,299.70	N/A
7030040 Late Charges	40.00	0.00	40.00	N/A
7030050 Miscellaneous Other Charges	3,013.35	0.00	3,013.35	N/A
7030060 Tax Increment Payments from the City of Alameda (Independence Plaza)	1,149,990.00	1,149,993.72	-3.72	0.00
7030100 Tenant HAP Subsidy	6,184,100.29	5,303,831.94	880,268.35	16.60
7030110 Vacancy Loss	-189,231.29	-246,986.28	57,754.99	-23.38
7030300 Commercial Rents (Include land lease from ICD Properties)	61,087.00	22,545.00	38,542.00	170.96
7050000 TOTAL TENANT REVENUE	10,146,992.90	9,608,467.50	538,525.40	5.60
7060000 FEDERAL GRANTS				
7060060 Shelter Plus Care Revenue (Arrears by 1 Months)	324,929.16	346,358.97	-21,429.81	-6.19
7069000 TOTAL FEDERAL GRANTS	324,929.16	346,358.97	-21,429.81	-6.19
7079000 OTHER GRANTS				
7080000 Other Government Grants (AUSD Recognized Obligation Payments)	1,399,195.29	0.00	1,399,195.29	N/A
7089000 TOTAL OTHER GRANTS	1,399,195.29	0.00	1,399,195.29	N/A
7100000 OTHER INCOME				
7110010 Investment Income - Unrestricted	38,522.90	100,689.75	-62,166.85	-61.74
7110011 Interest Income	70,177.33	91,033.47	-20,856.14	-22.91
7110020 Interest on Equip. Reserve	577.26	2,242.44	-1,665.18	-74.26
7110030 Interest Earned on Operating Reserve	0.00	108.00	-108.00	-100.00
7110060 Interest - Replacement Reserve	4,098.87	36,204.75	-32,105.88	-88.68
7110070 Other - Income	7,402.49	39,030.03	-31,627.54	-81.03
7110075 Laundry Commission	15,441.54	19,634.22	-4,192.68	-21.35
7110082 Land Fee/Ground Lease	158,937.93	4,023.00	154,914.93	3,850.73
7110090 Other Miscellaneous Revenue	33.00	0.00	33.00	N/A
7110092 Professional Service Revenue (City Reimbursement payments in arrears several months and ICD paid in February 2021 \$100,000 to AHA)	1,080,965.64	1,511,582.31	-430,616.67	-28.49
7140000 Fraud Recovery	26.61	0.00	26.61	N/A
7150030 Miscellaneous Other Revenue	2,541.51	0.00	2,541.51	N/A
7150040 Gain/Loss on Sale of Fixed Assets	1,351.80	0.00	1,351.80	N/A
7150070 Administrative Fee	5,339.49	13,547.25	-8,207.76	-60.59
7159000 TOTAL OTHER INCOME	1,385,416.37	1,818,095.22	-432,678.85	-23.80
8000000 HUD GRANT				
8010000 HUD Operating Grants	25,462,202.26	23,876,913.78	1,585,288.48	6.64
8020000 Administrative Fees from HUD (includes CARES Act Additional)	1,882,418.00	1,343,062.53	539,355.47	40.16
8020110 PORT-In Administrative Fees	11,866.87	0.00	11,866.87	N/A
8030000 Administrative Fees Paid (PORT-Outs)	52,035.07	0.00	-52,035.07	N/A
8100120 TOTAL HUD GRANT	27,304,452.06	25,219,976.31	2,084,475.75	8.27
8999000 TOTAL REVENUE	40,560,985.78	36,992,898.00	3,568,087.78	9.65
9000000 EXPENSES				
9000900 OPERATING EXPENSES				
9100000 ADMINISTRATIVE				
9110010 Administrative Salaries	3,023,237.17	4,008,182.40	984,945.23	24.57
9110020 Temporary Help - Administrative	236,561.04	384,384.87	147,823.83	38.46
9120000 Auditing Fees	48,250.00	34,830.00	-13,420.00	-38.53
9130000 Outside Management Fees	158,996.01	160,365.78	1,369.77	0.85
9150010 Admin Employee Benefits - Medical/Dental	546,421.21	956,913.93	410,492.72	42.90
9150020 Admin Employee Benefits - PERS/PARS	278,081.24	364,733.28	86,652.04	23.76
9150030 Admin Employee Benefits - FICA	42,261.63	57,752.10	15,490.47	26.82
9150040 Admin Employee Benefits - SUI	13,231.25	10,562.31	-2,668.94	-25.27
9150050 Admin Employee Benefits - EAP	165.00	0.00	-165.00	N/A
9150060 Admin Employee Benefits - Life/LTD	24,999.91	24,803.19	-196.72	-0.79
9150090 Admin Employee Benefit - WC	43,100.81	26,360.28	-16,740.53	-63.51
9160010 Office Supplies/Equipment	101,656.09	68,553.72	-33,102.37	-48.29
9160020 Expendable Administrative Equipment	130.42	0.00	-130.42	N/A
9160030 Dues & Subscriptions Publications	1,637.24	900.00	-737.24	-81.92
9160040 Postage	10,250.35	36,920.97	26,670.62	72.24
9160050 Telephone	64,944.81	45,127.53	-19,817.28	-43.91
9160060 Bank Charges and Check Supplies	24,526.97	20,748.78	-3,778.19	-18.21
9160070 Commissioners Meeting Expense	529.90	0.00	-529.90	N/A
9160080 Stationery Envelopes and Business Cards	1,228.72	0.00	-1,228.72	N/A
9160090 Forms and Copies/Printing	27,616.10	3,825.00	-23,791.10	-621.99

Budget Comparison (with PTD)

Period = Jul 2020-Mar 2021

Book = Accrual

	PTD Actual	PTD Budget	Variance	% Var
9160100 Classified Ads and Public Notices/outreach material	12,253.65	28,181.97	15,928.32	56.52
9160110 Legal Expense	244,632.00	258,747.03	14,115.03	5.46
9160111 Payroll charge	9,781.99	5,361.03	-4,420.96	-82.46
9160112 Survey/Title Fee	0.00	1,503.00	1,503.00	100.00
9160113 Office Rent (Additional AHA Office Space Rented in February 2021)	99,936.85	275,499.00	175,562.15	63.73
9160114 Administrative Support	23,882.04	0.00	-23,882.04	N/A
9160115 Organization Cost	166.05	0.00	-166.05	N/A
9160120 Training/Conferences and Travel	15,458.98	120,314.97	104,855.99	87.15
9160130 Membership Dues and Fees	12,981.38	8,533.53	-4,447.85	-52.12
9160131 Taxes & Government Fees (Sewer Passthrough Charges)	104,983.02	0.00	-104,983.02	N/A
9160140 Collection Loss	24,356.00	0.00	-24,356.00	N/A
9160160 Contracts - Accounting Services	36,810.00	2,556.00	-34,254.00	-1,340.14
9160170 Contracts - Administrative Services/Consultant	68,089.09	294,641.28	226,552.19	76.89
9160180 Contracts - Application Service Provider - Yardi	135,953.40	167,716.53	31,763.13	18.94
9160190 Contracts - Computer/Telephone Maintenance/Email	136,185.04	283,976.28	147,791.24	52.04
9160200 Contracts - Employee/Organizational Development	25.00	0.00	-25.00	N/A
9160210 Contracts - Housing Program Services	28,057.89	0.00	-28,057.89	N/A
9160220 Contracts - Human Resource Services	2,100.00	51,557.94	49,457.94	95.93
9160230 Contracts - Housing Inspection Services	9,620.27	42,536.97	32,916.70	77.38
9160240 Contracts - Temporary Labor	794.99	0.00	-794.99	N/A
9160260 Contracts - Office Machine Lease	18,663.25	13,860.72	-4,802.53	-34.65
9160270 Contracts - Web Hosting/Maintenance/Web Ads	13,204.45	12,894.03	-310.42	-2.41
9160290 Contracts - HR Recruitment	83,156.99	99,312.03	16,155.04	16.27
9160510 Association Dues	33,150.60	31,500.00	-1,650.60	-5.24
9169000 TOTAL ADMINISTRATIVE	5,762,068.80	7,903,656.45	2,141,587.65	27.10
9200000 TENANT/SOCIAL SERVICES/POLICE				
9210010 Tenant Services - Salaries	226,717.27	2,583.00	-224,134.27	-8,677.28
9210030 Police Services (and Security)	99,438.83	141,180.03	41,741.20	29.57
9210100 Tenant/Social Sevices - Salaries	0.00	220,640.31	220,640.31	100.00
9219000 TOTAL TENANT/SOCIAL SERVICES/POLICE	326,156.10	364,403.34	38,247.24	10.50
9219990 RELOCATION				
9220000 Tenant-Relocation Costs	5,983.13	0.00	-5,983.13	N/A
9229000 TOTAL RELOCATION	5,983.13	0.00	-5,983.13	N/A
9230005 TENANT SERVICES EMPLOYEE BENEFITS AND INSURANCE				
9230010 Tenant Svcs Employee Benefits - Medical/Dental	34,343.56	32,157.00	-2,186.56	-6.80
9230020 Tenant Svcs Employee Benefits - PERS/PARS	7,743.18	14,713.56	6,970.38	47.37
9230030 Tenant Svcs Employee Benefits - FICA	1,210.27	6,525.72	5,315.45	81.45
9230040 Tenant Svcs Employee Benefits - SUI	326.57	1,451.25	1,124.68	77.50
9230050 Tenant Svcs Employee Benefits - Life/LTD	70.64	0.00	-70.64	N/A
9230071 Property Insurance	4,068.00	0.00	-4,068.00	N/A
9230075 Property Taxes	517.64	0.00	-517.64	N/A
9230080 Tenant Svcs Employee Benefits - Other	3,063.68	0.00	-3,063.68	N/A
9230090 Tenant Svcs Employee Benefit - WC	7,565.45	18,032.85	10,467.40	58.05
9239000 TOTAL TENANT SERVICES EMPLOYEE BENEFITS AND INSURANCE	54,323.35	72,880.38	18,557.03	25.46
9240005 TENANT SERVICES				
9240020 Tenant Service Activities - Contracts and O/S Services	110,082.89	224,406.00	114,323.11	50.94
9240050 Tenant/Social Sevices - Other	80.62	0.00	-80.62	N/A
9249000 TOTAL TENANT SERVICES	110,163.51	224,406.00	114,242.49	50.91
9300000 UTILITIES				
9310000 Water	196,085.05	198,762.03	2,676.98	1.35
9320000 Electricity	82,816.53	106,911.81	24,095.28	22.54
9330000 Gas	6,263.89	37,469.97	31,206.08	83.28
9380010 Sewer (See Sewer Passthrough Charge Above)	81,044.46	226,995.84	145,951.38	64.30
9380020 Garbage	314,368.70	336,250.44	21,881.74	6.51
9380030 Other	0.00	330,120.54	330,120.54	100.00
9399000 TOTAL UTILITIES	680,578.63	1,236,510.63	555,932.00	44.96
9399990 MAINTENANCE				
9400000 MAINTENANCE SALARIES				
9410010 Maintenance - Salaries (1 Retirement during fiscal year)	491,956.64	552,519.81	60,563.17	10.96
9419000 TOTAL MAINTENANCE SALARIES	491,956.64	552,519.81	60,563.17	10.96
9420005 MAINTENANCE MATERIALS				
9420010 Maintenance Materials	133,152.40	196,179.75	63,027.35	32.13
9420020 Vehicle - gasoline	2,408.09	5,031.00	2,622.91	52.14
9420030 Janitorials Supplies	174.63	0.00	-174.63	N/A
9429000 TOTAL MAINTENANCE MATERIALS	135,735.12	201,210.75	65,475.63	32.54

Budget Comparison (with PTD)

Period = Jul 2020-Mar 2021

Book = Accrual

	PTD Actual	PTD Budget	Variance	% Var
9429005 MAINTENANCE CONTRACTS				
9429015 Maintenance Contracts - Unit Turnaround	12,491.37	39,638.07	27,146.70	68.49
9429030 Maintenance Contracts - Tree Trimming	0.00	8,256.78	8,256.78	100.00
9429040 Maintenance Contracts - Cycle Painting	1,124.15	0.00	-1,124.15	N/A
9429060 Maintenance Contracts - Floor Covering	8,082.15	60,461.55	52,379.40	86.63
9429100 Maintenance Contracts - Services	187,248.29	114,253.20	-72,995.09	-63.89
9430010 Maintenance Contracts - Painting	11,450.00	27,247.86	15,797.86	57.98
9430020 Maintenance Contracts - Plumbing	54,488.24	22,546.08	-31,942.16	-141.68
9430030 Maintenance Contracts - Landscape, Pool, Pond Maintenance	62,987.82	97,552.80	34,564.98	35.43
9430040 Maintenance Contracts - HVAC Maintenance	8,811.90	25,660.71	16,848.81	65.66
9430050 Maintenance Contracts - Hazardous Substances Testing	19,036.44	0.00	-19,036.44	N/A
9430060 Maintenance Contracts - Elevator Maintenance	29,784.53	32,911.20	3,126.67	9.50
9430070 Maintenance Contracts - Extermination	37,470.50	38,855.97	1,385.47	3.57
9430080 Maintenance Contracts - Electrical Maintenance	5,600.74	19,007.28	13,406.54	70.53
9430090 Maintenance Contracts - Security and Nurse Call Systems	99,811.19	13,428.00	-86,383.19	-643.31
9430110 Maintenance Contracts - Gutter Cleaning Services	0.00	9,564.48	9,564.48	100.00
9430120 Maintenance Contracts - Flooring Replmt/Cleaning Srvc	41,513.64	0.00	-41,513.64	N/A
9430130 Maintenance Contracts - Other	106,957.73	8,919.63	-98,038.10	-1,099.13
9430140 Maintenance Contracts - Vehicle Maintenance	5,245.69	5,480.55	234.86	4.29
9430150 Maintenance Contracts - Janitorial	104,920.95	138,925.98	34,005.03	24.48
9439000 TOTAL MAINTENANCE CONTRACTS	797,025.33	662,710.14	-134,315.19	-20.27
9450005 MAINTENANCE EMPLOYEE BENEFITS				
9450010 Maint Employee Benefits - Medical/Dental	113,700.63	173,826.00	60,125.37	34.59
9450020 Maint Employee Benefits - PERS/PARS	43,007.24	52,922.97	9,915.73	18.74
9450030 Maint Employee Benefits - FICA	27,986.45	7,560.00	-20,426.45	-270.19
9450040 Maint Employee Benefits - SUI	1,676.22	1,927.44	251.22	13.03
9450050 Maint Employee Benefits - Life/LTD	2,603.42	4,535.28	1,931.86	42.60
9450070 Maint Employee Benefits - Uniforms/Shoes	2,046.52	18,121.41	16,074.89	88.71
9450091 Maint Employee Benefit - WC	30,863.81	24,045.75	-6,818.06	-28.35
9459000 TOTAL MAINTENANCE EMPLOYEE BENEFITS	221,884.29	282,938.85	61,054.56	21.58
9499000 TOTAL MAINTENANCE	1,646,601.38	1,699,379.55	52,778.17	3.11
9500000 GENERAL EXPENSES				
9500100 Interest Expense	714,297.12	869,324.22	155,027.10	17.83
9500160 Mortgage Financial Service Charge	44,699.22	0.00	-44,699.22	N/A
9500200 Other Expense	8,912.67	0.00	-8,912.67	N/A
9500300 Claim's Settlement Cost (Lincoln House, net of rehab)	161,655.41	0.00	-161,655.41	N/A
9610010 Insurance - Workers Compensation	11,752.73	0.00	-11,752.73	N/A
9610020 Insurance - Liability	43,500.81	41,321.25	-2,179.56	-5.27
9610030 Insurance - Property	90,724.77	103,233.69	12,508.92	12.12
9610040 Insurance - Vehicle	4,617.72	11,895.75	7,278.03	61.18
9610060 Insurance - Other	20,403.55	11,295.00	-9,108.55	-80.64
9620010 Other General Expenses	15,946.00	0.00	-15,946.00	N/A
9698000 TOTAL GENERAL EXPENSES	1,121,095.64	1,037,069.91	-84,025.73	-8.10
9699000 TOTAL OPERATING EXPENSES	9,706,970.54	12,538,306.26	2,831,335.72	22.58
9700000 MOD REHAB AND SPC EXPENSES				
9700570 Rent to Owners - Bessie Coleman	148,522.00	0.00	-148,522.00	N/A
9700800 PORT-In (A/R Billings) (Negative represents collections from other PHA)	-303,824.00	0.00	303,824.00	N/A
9700900 TOTAL MOD REHAB AND SPC EXPENSES	-155,302.00	0.00	155,302.00	N/A
9710000 EXTRAORDINARY EXPENSES				
9710090 Pre-development Cost	0.00	82,851.48	82,851.48	100.00
9713001 HOUSING ASSISTANCE PAYMENTS (VOUCHER)				
9719000 TOTAL EXTRAORDINARY EXPENSES	0.00	82,851.48	82,851.48	100.00
9730001 HOUSING ASSISTANCE PAYMENTS (VOUCHER)				
9730010 Housing Assistance Payments - Landlords	25,201,261.00	24,223,272.75	-977,988.25	-4.04
9730020 Housing Assistance Payments - FSS	44,564.00	0.00	-44,564.00	N/A
9730070 Utility Allowance to Tenants	24,361.00	0.00	-24,361.00	N/A
9739000 TOTAL HOUSING ASSISTANCE PAYMENTS (VOUCHER)	25,270,186.00	24,223,272.75	-1,046,913.25	-4.32
OPERATING EXPENSES	34,821,854.54	36,844,430.49	-2,022,575.95	-5.49
NET OPERATING INCOME BEFORE DEPRECIATION	5,741,431.24	148,467.51	5,592,963.73	3,767.13
9740000 Depreciation Expense	1,281,728.01	1,255,069.53	-26,658.48	-2.12
9859999 TOTAL OTHER EXPENSES	1,281,728.01	1,255,069.53	-26,658.48	-2.12
9998000 NET INCOME	4,459,703.23	-1,106,602.02	5,566,305.25	503.01

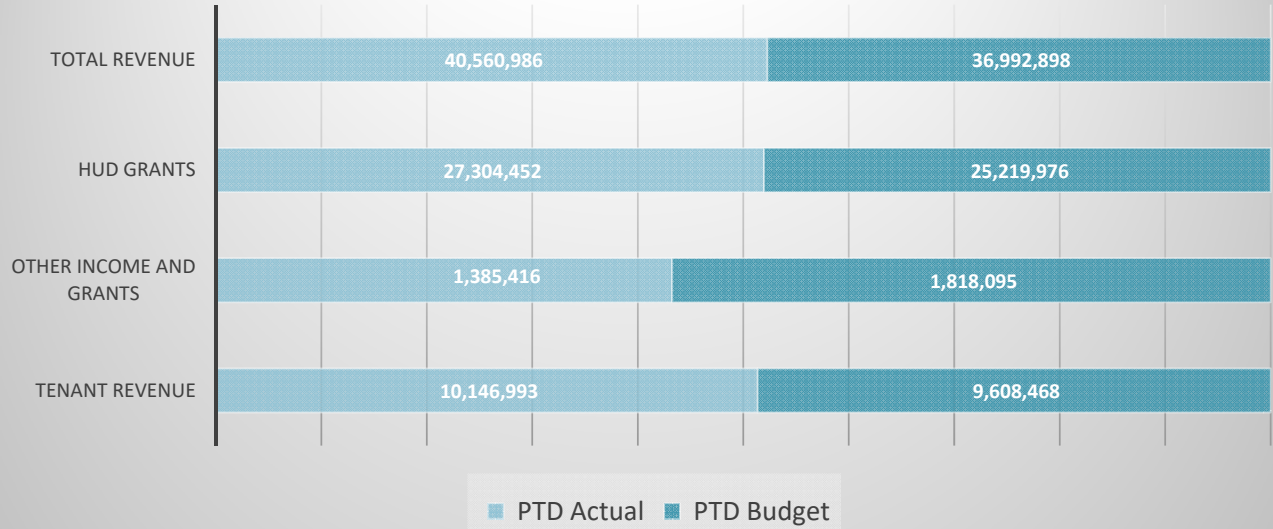
Attachment 3

Budget Comparison (with PTD)

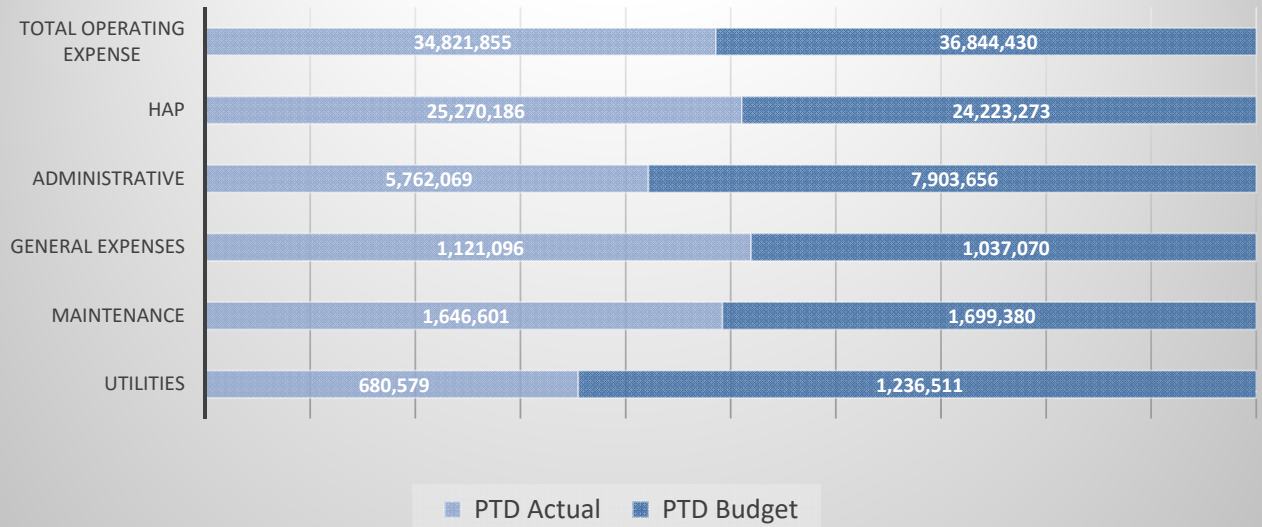
Period = Jul 2020-Mar 2021

Book = Accrual

AHA REVENUE - ACTUAL VERSUS BUDGET (PTD)



AHA EXPENSES - ACTUAL VERSUS BUDGET (PTD)



Note - Categories less than \$100,000 and Depreciation not presented



Housing Authority of the City of Alameda

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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
 From: Stephanie Shipe, Director of Portfolio Operations
 Date: May 19, 2021
 RE: Accept Quarterly Asset Management Report for Q1

BACKGROUND

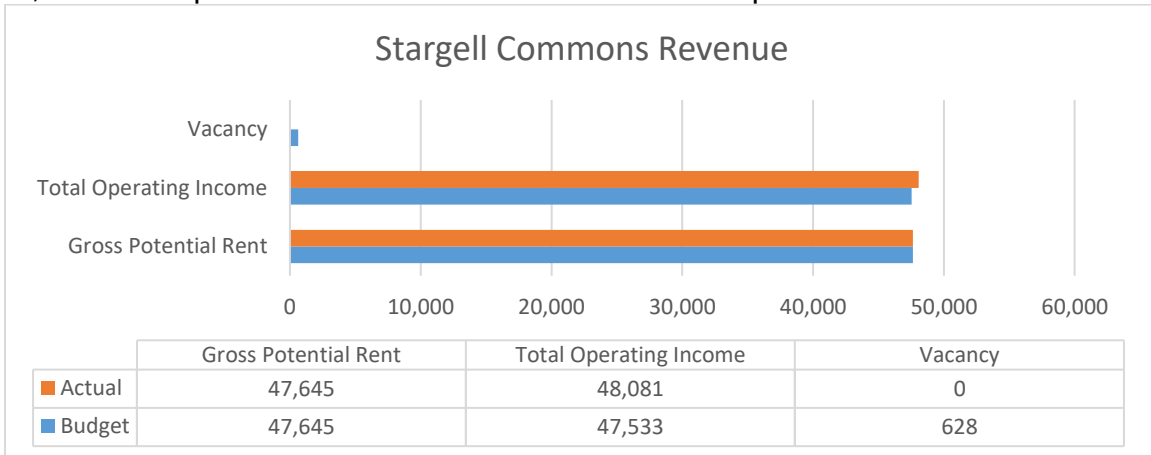
This memo provides an overview of the Quarterly Financials for the Low-Income Housing Tax Credit (LIHTC) Partnership Properties through March 31, 2021 prepared by Asset Management.

DISCUSSION

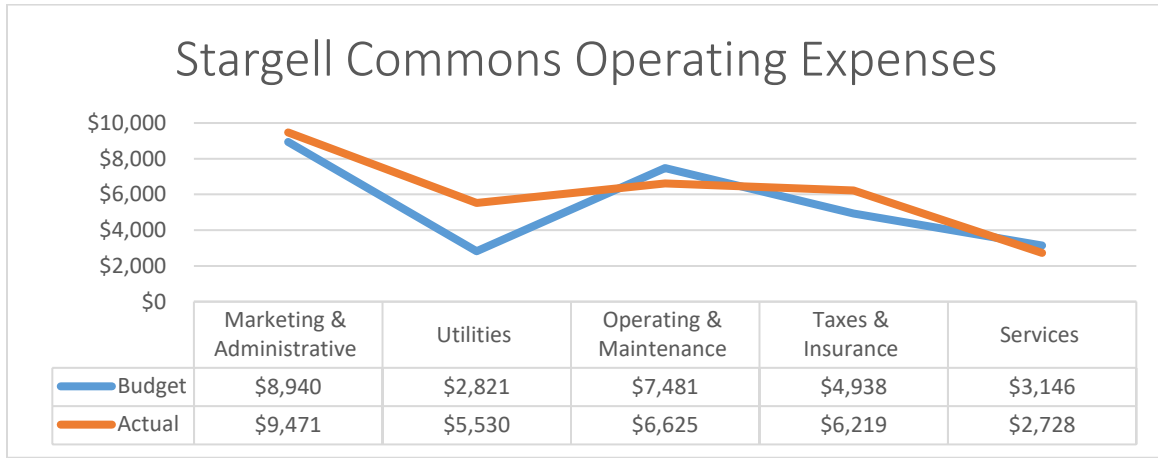
Stargell Commons

Stargell Commons is a 32-unit Low Income Housing Tax Credit (LIHTC) Multi-Family project. The Property is run by Resources for Community Development (RCD) and managed by The John Stewart Company (JSCO).

Operating Income: Stargell Commons' operating income was right on budget for Q1; however, staff anticipate to see an increase in Q2 due to expected rent increases in June



Operating Expenses: Stargell Commons’ total operating expenses were over budget this quarter by approximately 12% or \$3,248. This is primarily due to property insurance billing adjustments were made during Q1 and higher than anticipated utilities, which staff anticipate will carry through the rest of the year.

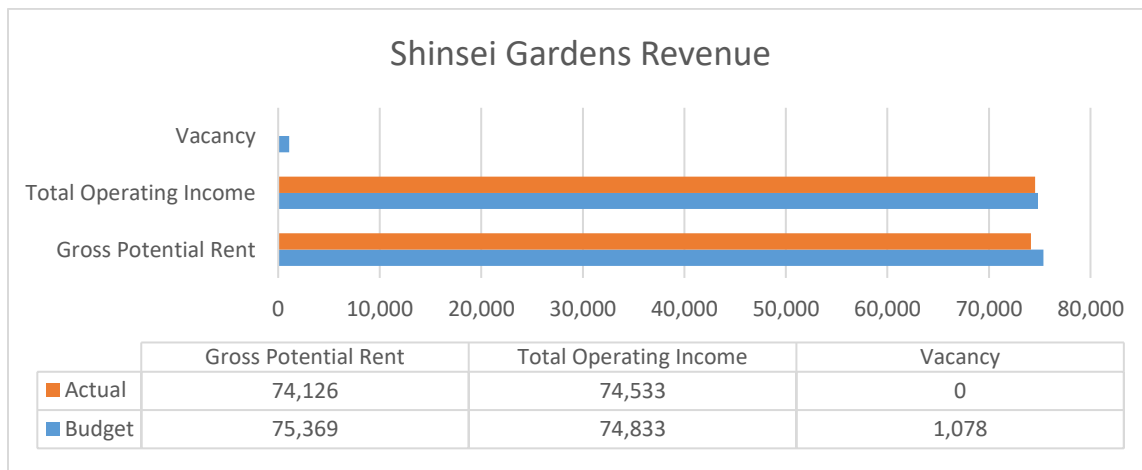


Net Income: Stargell Commons has a 15-year permanent loan that was converted from the original construction loan in February 2018. Monthly payments are made towards the loan. The Debt Service Coverage Ratios (DSCR) exceeded projection of 2.16, the true DSCR was 2.72, the project has sufficient funds to cover the debt obligations with ease. Overall Net Operating Income (NOI) for Q1 is \$17,507 which is approximately 13% less than the budget of \$20,207. This is primarily due to expenses; however, staff anticipate to make up ground beginning in June 2021 with rent increases.

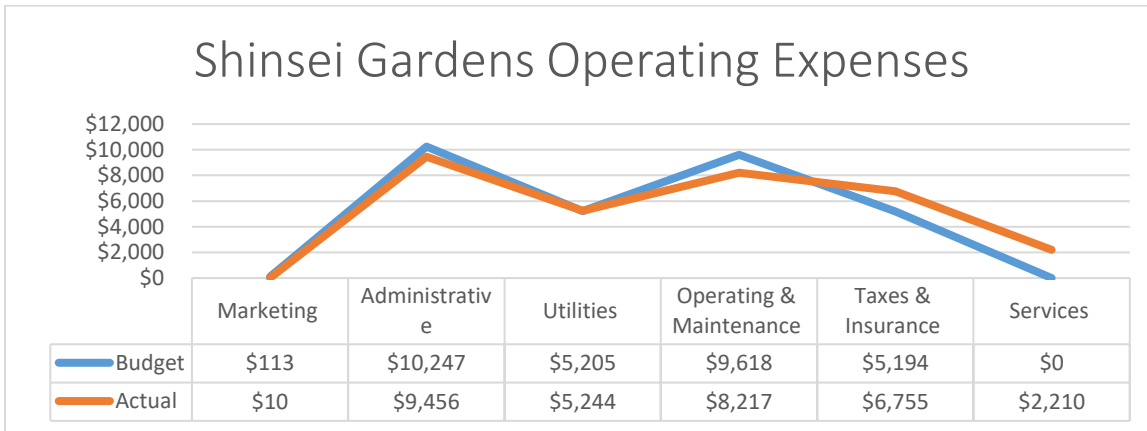
Shinsei Gardens

Shinsei Gardens is a Multi-Family 39-unit LIHTC project. This partnership is also run by Resources for Community Development (RCD) and property management services are provided by JSCO.

Operating Income: Shinsei Gardens total operating income was just slightly lower than anticipated for Q1 by .4% or \$300. The property management company anticipates to close this gap in Q3 when rent increases take effect.



Operating Expenses: Shinsei Gardens operating expenses were slightly over budget in Q1 by 5% or \$1,515. This is due to property insurance billing adjustment was made during this quarter; however this should level out by the end of the year.

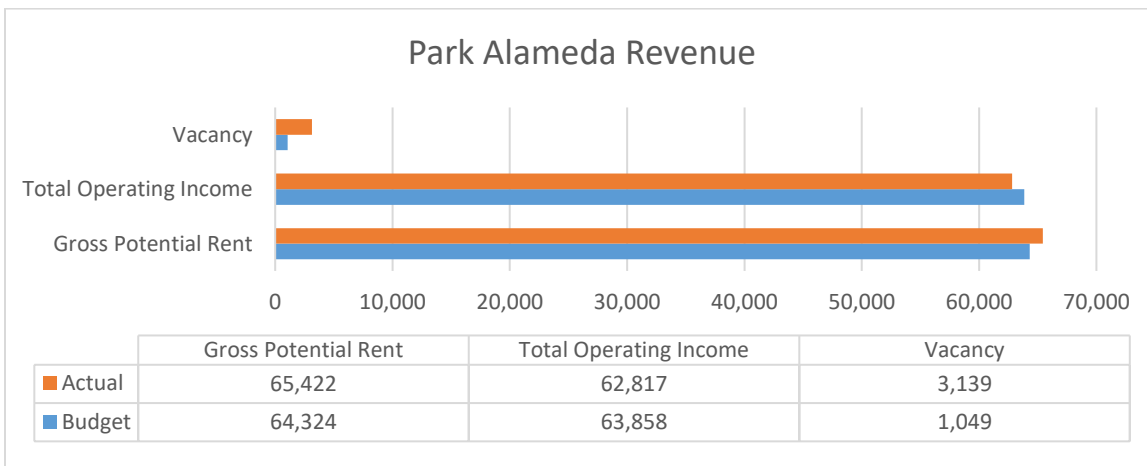


Net Income: Overall net income was at a loss in Q1 by 422%, the budgeted revenue was (\$5,826) and the actual was (\$30,402). There were significant appliance replacements (\$11,194) that happened during this quarter; however, the property anticipates being reimbursed for these items by their reserves. There was also a significant amount of corporate expenses (\$11,684) paid this quarter that was not budgeted for. Staff are working with the property manager to understand the nature of these corporate expenses further.

Park Alameda

Park Alameda a 62-unit LIHTC Multi-Family Partnership with RCD. JSCO provides property management services.

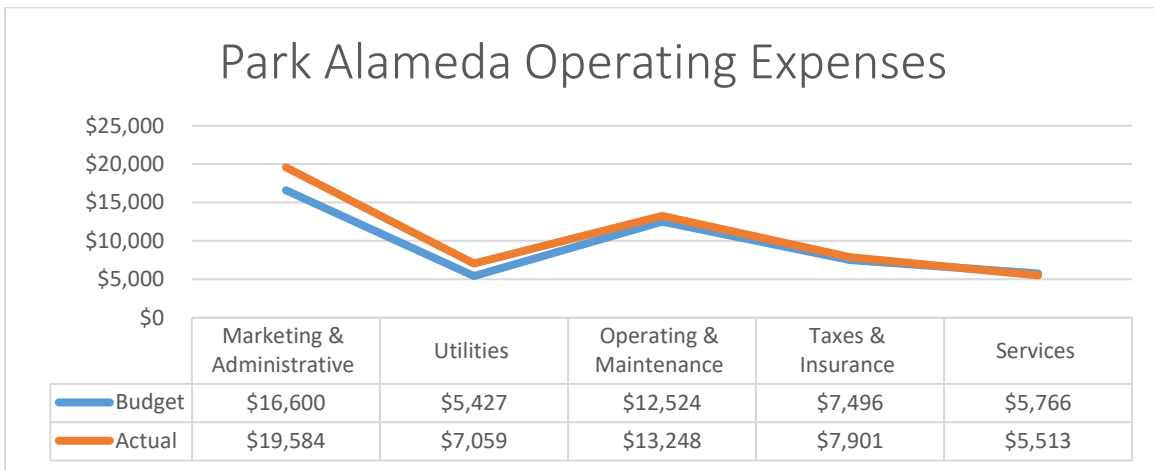
Operating Income: Park Alameda rental income is right in line during Q1 with a favorable variance of 1.71% or \$1,098. The property is anticipated to run in accordance with the budget throughout the year.



Operating Expenses: The property expenses were over budget this quarter by 11.5% or \$5,492.76. This month the property booked \$4930 in collection loss which was 477% over



budget. Utilities were also under budgeted by \$1,632.36 or 30%, biggest areas of concern were electricity and gas. Staff expect to see these expenses drop as the weather warms and there is more light during the day.

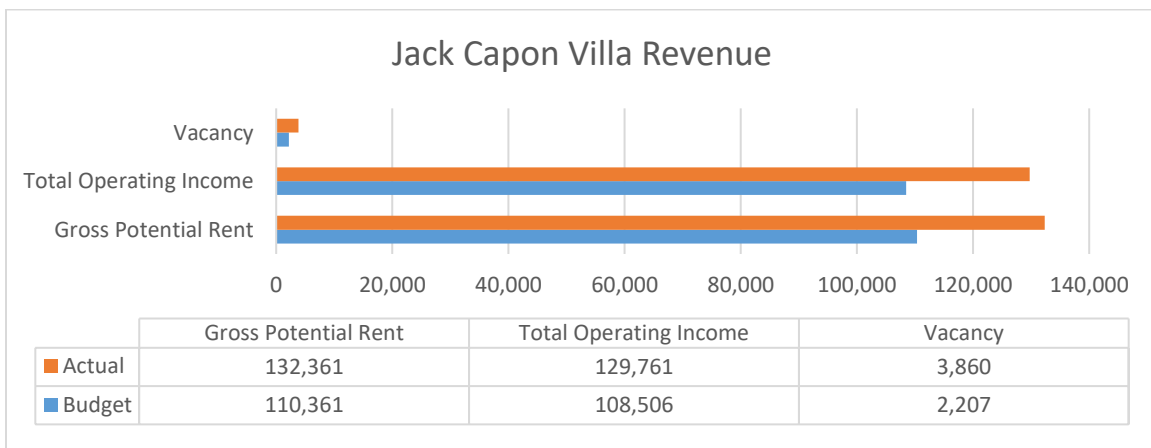


Net Income: Net Operating Income (NOI) overall was also under budget by 41% or \$6,534 due to the expenses listed above. Park Alameda does not have any hard debt that is required at this time, all soft loans are deferred, and interest payments are expected to go through the waterfall.

Jack Capon Villa

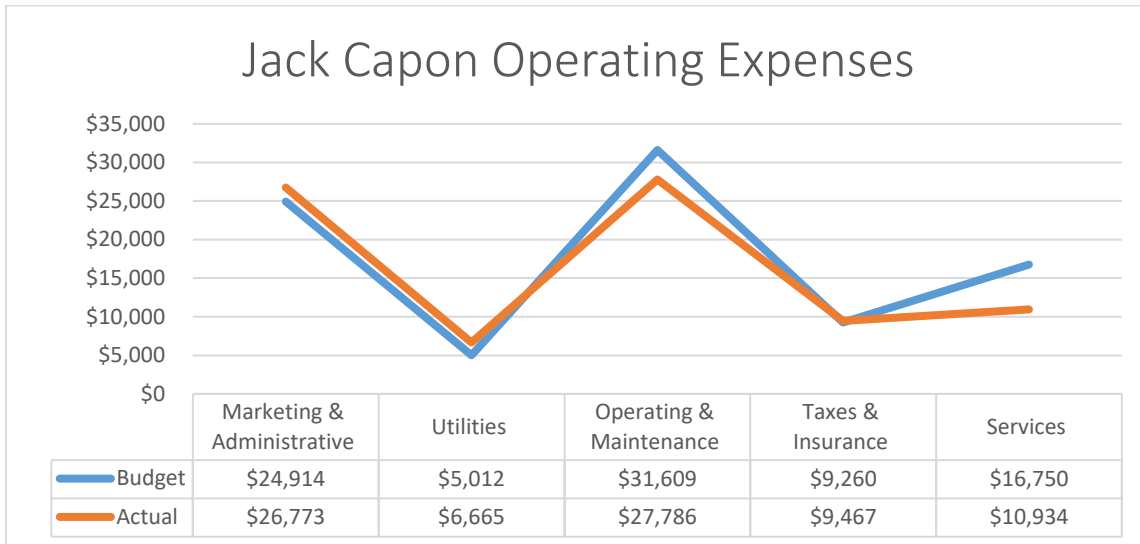
Jack Capon Villa is a 19-unit residential LIHTC project for developmental disabilities. Satellite Affordable Housing Associates (SAHA) is the partner for this development and Housing Consortium of the East Bay (HCEB) provides property management services.

Operating Income: Jack Capon Villa’s total projected income exceeded the budget by 20% or \$21,255. Tenant GPR was strong, exceeding budget by 17% or \$22,128.



Operating Expenses: The overall Q1 operating expenses were under budget by 7% with no notable variances in any line item.



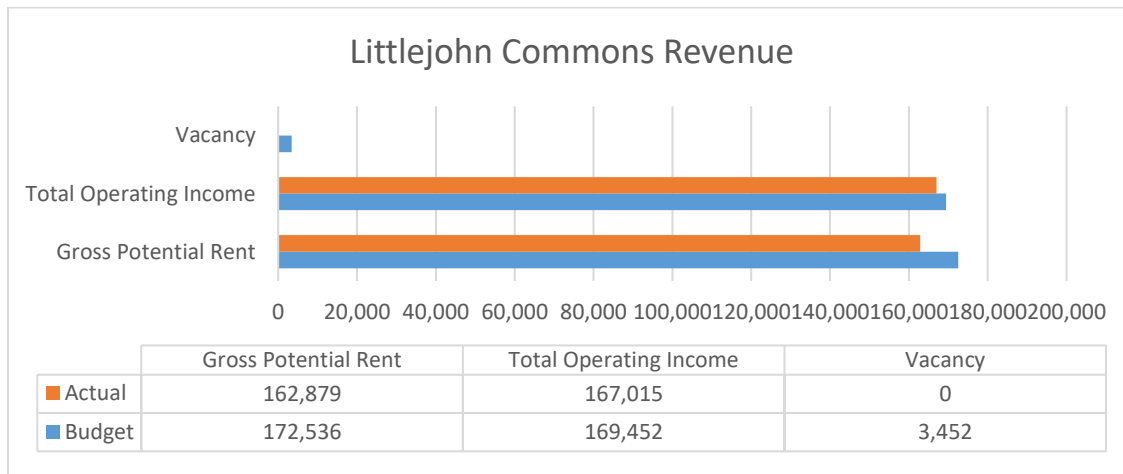


Net Income: Overall net income surpassed Q1 budget estimate by 271%, the budgeted revenue was \$10,138 and the actual was \$37,556.

Littlejohn Commons

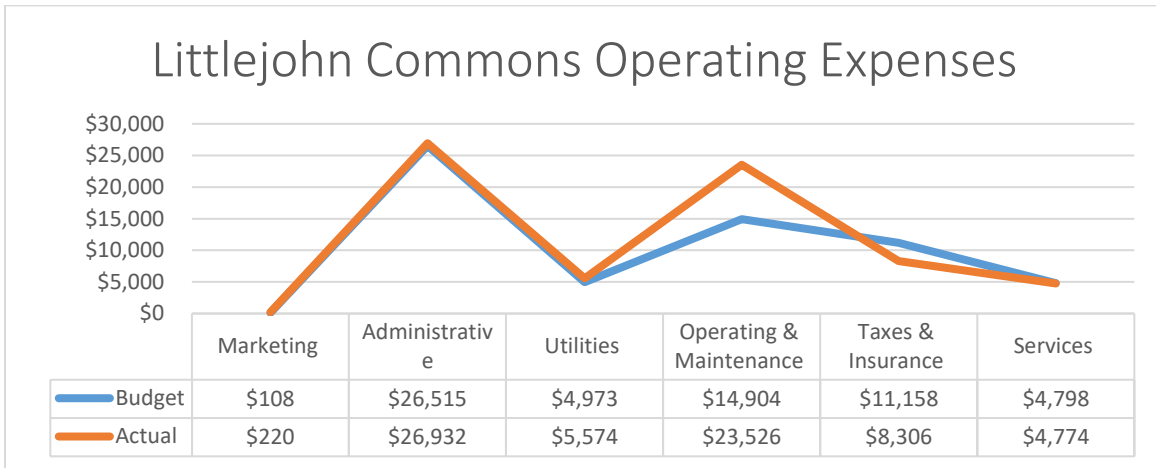
Littlejohn Commons is a 31-unit LIHTC Senior community. JSCO also provides property management services.

Operating Income: Little John Commons’ operation income was slightly under budget, by less than 1.5% or \$2,437. This revenue is expected to balance out by the end of the year after the property increases PBV rents in August 2021.



Operating Expenses: Little John Commons’ property total operating expenses were over budget by 14% or \$11,941. This is largely in part due to increased elevator maintenance costs that were not expected approximately \$6,500 over budget; however, staff don’t anticipate for this variance to increase throughout the year. The interest on mortgage and interior replacements were also higher than budgeted; however, staff anticipate the interest to balance by the end of the year and reimbursement back for our replacements from our reserve account.



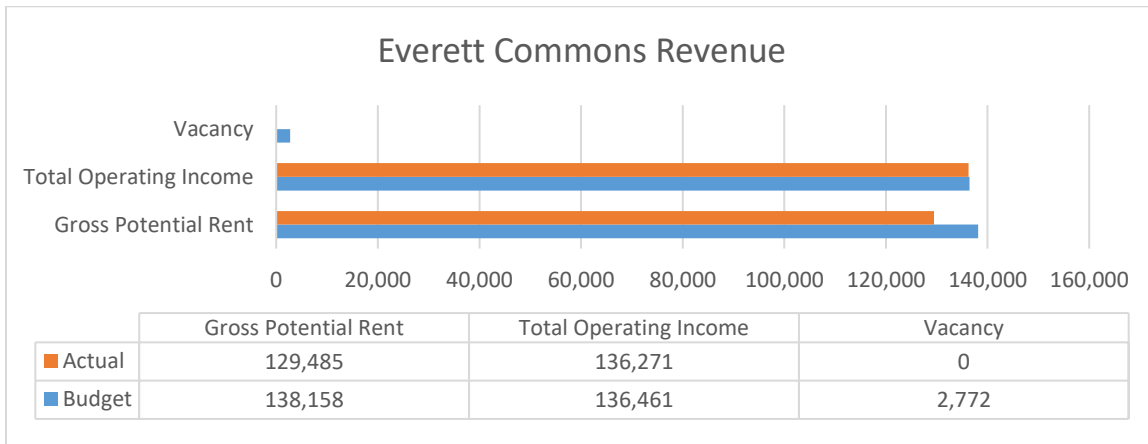


Net Income: Overall Net Income projections are still under budget by 18% with a total profit of \$64,400 in Q1 which was originally budgeted at \$78,778. The permanent loan on the property is with California Community Reinvestment Corporation (CCRC). The Debt Service Coverage Ratio (DSCR) budgeted was 1.41 and ended with 1.27 which is still sufficient to cover the loan payments.

Everett Commons

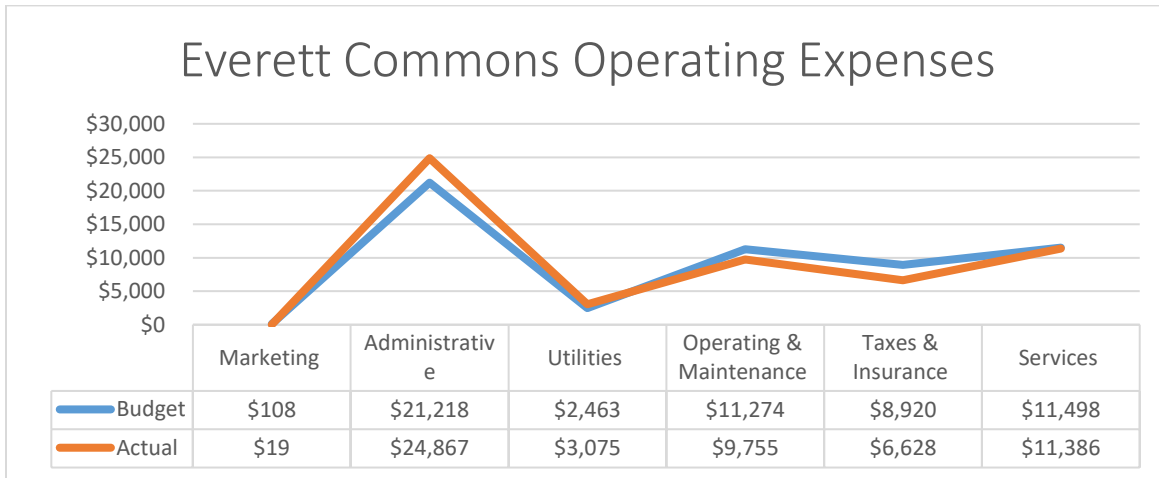
Everett Commons a 20-unit LIHTC development project for families. The John Stewart Company manages the property.

Operating Income: Everett Commons total operating income is right on budget for Q1. Even though our GPR is under by 6%, the property received reimbursement for previous vacancies totaling \$6,000. Staff anticipate to be slightly under in GPR throughout the year, due to lower approved rent increases than anticipated.



Operating Expenses: Everett Commons total expenses were right in line with the Q1 Budget with less than .5% variance.





Net Income: Everett Commons ended this quarter with a loss of approximately \$142,380. In calendar Q1 2021, Everett Commons received additional equity from the tax credit investor. Pursuant to the limited partnership agreement, Everett Commons disbursed \$176k to Island City Development to pay down Everett Common’s developer fee payable.

RESERVE BALANCES AS OF 12/31/2020	
STARGELL COMMONS	\$465,155
SHINSEI GARDENS	\$957,237
JACK CAPON	\$248,083
PARK ALAMEDA	\$757,514
LITTLEJOHN COMMONS	\$31,000
EVERETT COMMONS	\$50,074

RECOMMENDATION

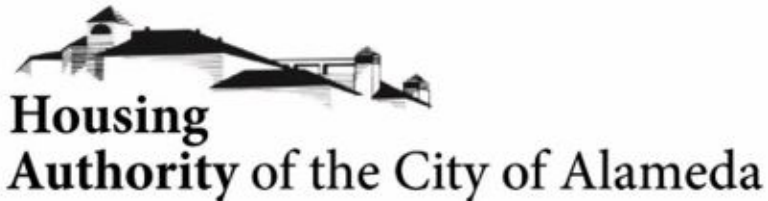
Accept Quarterly Asset Management Report for Q1.

Respectfully submitted,

DocuSigned by:

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Stephanie Shipe
 Director of Portfolio Operations





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 FAX (510) 522-7848
 TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
 From: Joshua Altieri, Community Relations Manager
 Date: May 19, 2021
 RE: Approve the submitted Social Media Policy

BACKGROUND

The Social Media Policy outlines the procedures and management of social media platforms for the Housing Authority of the City of Alameda and AHA affiliates. The Social Media Policy does not cover personal social media use by AHA staff members, those policies are set forth in the Employee Handbook and IT Policy available via AHA's Human Resources Dept.

DISCUSSION

The purpose of the Social Media Policy is to provide guidelines for ensuring that AHA activities on social media are conducted in a professional, inclusive, respectful, ethical, and legal manner. AHA recognizes the growing importance of social media as a communication tool used by the increasing number of stakeholders including community partner organizations, community members and residents, and employees. AHA intends to utilize social media to deliver public communication, share community resources, and to promote overall transparency.

AHA will restrict administrative account access on AHA social media profiles to select management staff. All social media administrative privileges and access will be decided by the Executive Director or designee.

FINANCIAL IMPACT

No financial investment needed.

RECOMMENDATION

Approve the submitted Social Media Policy.

Respectfully submitted,

DocuSigned by:

Joshua Altieri

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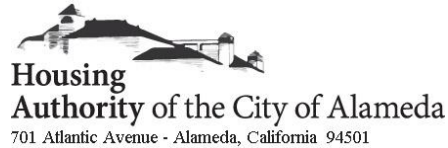
Joshua Altieri

Community Relations Manager

Attachment(s):

1. Social Media Policy





Housing Authority of the City of Alameda
Island City Development
Alameda Affordable Housing Corporation
Social Media Policy

Scope – This Social Media Policy (Policy) applies to all users on Housing Authority of the City of Alameda (AHA) social media profiles including, but not limited to Facebook, LinkedIn, or any other online forum or interactive electronic communication platform, application, or network. This Policy also applies to AHA’s affiliates unless explicitly stated otherwise. This policy does not cover personal social media use by AHA staff members, those policies are set forth in the Employee Handbook and IT Policy available via AHA’s Human Resources Dept.

Purpose – The purpose of this Policy is to provide guidelines for ensuring that AHA activities on social media are conducted in a professional, inclusive, respectful, ethical, and legal manner. AHA recognizes the growing importance of social media as a communication tool used by the increasing number of stakeholders including community partner organizations, community members and residents, and employees. AHA intends to utilize social media to deliver public communication, share community resources, and to promote overall transparency.

AHA social media accounts are intended for the benefit of all users, and any inappropriate or offensive material will detract from its purpose. AHA will review posted comments and restrict or delete any information that would compromise the privacy, safety, or security of the public, or AHA social media users.

AHA will restrict administrative account access on AHA social media profiles to select management staff. All social media administrative privileges and access will be decided by the Executive Director or designee.

General Procedures

- The Executive Director or designee will develop AHA branding and enterprise-wide design standards.
- The Executive Director can update the social media policy at any time.
- The Community Relations Manager will maintain a list of AHA's social media sites, including authorized users plus login and password information.
- AHA must be able to immediately edit or remove content from social media sites.
- AHA social media accounts may not represent an individual in their capacity as an AHA employee, they must only represent a department or the AHA.

Management of Social Media Accounts / Profiles

- AHA's website (<http://www.alamedahsg.org>) will remain AHA's primary and predominant internet presence.
- The most appropriate use of social media is as informational channels to increase AHA's ability to broadcast its online messages to the widest possible audience.
- It should be noted on all social media sites that posts do not represent the official position of AHA.
- Only staff with login credentials may post content on AHA-affiliated social media sites; other staff that have ideas, suggestions, or resources for posts are encouraged to share them with the Community Relations Manager. Employees may not act as, or give the appearance of acting as, a spokesperson or representative of AHA.
- Content posted to AHA's social media sites will be made available on or linked to AHA's website as appropriate.
- It is encouraged to have content posted to AHA's social media sites contain hyperlinks directing users back to AHA's website for in-depth information, forms, documents, or online services necessary to conduct business with AHA.
- User comments must be disabled or monitored on a regular and frequent basis by the Community Relations Manager.
- The AHA's social media sites will contain records subject to the California Public Records Act. AHA is responsible for responding completely and accurately to any public records request for such public records, and shall promptly consult with the executive Director or designee when such requests are received. Where applicable, sites should clearly indicate that any articles and any other content posted or submitted for posting may be subject to public disclosure upon request. Users shall be notified that public disclosure requests must be directed to Executive Director or designee.
- AHA employees are not authorized to post confidential information about AHA tenants, landlords, program participants, or applicants.
- California law and relevant AHA records retention schedules apply to social media content. Departments maintaining social media sites shall preserve

- records required to be maintained pursuant to AHA's records retention schedule.
- Any exceptions to these policies will be approved by the Executive Director or designee, dependent on the policy.
 - All AHA social media account responsibilities will be managed and/or delegated out in partnership and exclusively by AHA's Executive Director or designee.

Authorized Social Media Use

Unless expressly authorized to do so by AHA's Executive Director or designee, employees with AHA login credentials may not use social media for any of the following purposes:

- To conduct business-related communication with individual AHA clients, landlords, vendors, or members of the public.
- AHA employees may use personal information such as title, employer etc for LinkedIn accounts for their own professional activities, but cannot act as AHA spokesperson or manage the agency's LinkedIn account unless authorized.
- To use AHA email addresses to register on personal social networks or to utilize other online tools that are for personal use.
- To display or use AHA's logo or other trademarks, in a way that would violate any applicable AHA policy or law.
- To post personal information concerning residents or clients, community partners, vendors, and employees, including but not limited to social security numbers, dates of birth, addresses, and phone numbers, or participation in an AHA program; information of this type may not be disclosed under any circumstances.

An employee using social media or engaging in any other online activity that constitutes harassment, abusive conduct, a threat to the safety, health, life or well-being of an employee, resident and/or client, or that in any other way does not comply with the guidelines set forth in this policy, or that violates any other AHA policy or law, will be subject to disciplinary action.

AHA will obtain verbal or written authorization from an identifiable subject (individual or entity) to use photo (or video) on social media postings on AHA social media accounts. If the featured individual on a photo (or video) wishes to remove their photo (or video) from AHA social media platforms, AHA will process that request immediately upon notice.

All AHA social media postings containing links to other websites (not affiliated to AHA) must be approved in writing by AHA's Executive Director or designee.

Addition (and removal) of AHA Social Media Accounts and Managing Access.

The Executive Director or designee must approve the use, creation of all new accounts and deletion or cancellation of any social media account.

The Community Relations Manager will create, manage and monitor the accounts. Due to the fast-evolving nature of social media, accounts must be monitored regularly. One other management level employee will be appointed by the Executive Director or designee for each account as back up. The password for each social media account will be held in the password safe.

Content

AHA disclaims liability for ads, videos, promoted content or comments accessible from any external web page. The responsibility for external content or comments rests with the organizations or individuals providing them. Any inclusion of external content or comments on social media sites does not imply endorsement by AHA. Comments posted to this site will be monitored during regular business hours only. AHA disclaims any and all responsibility and liability for inappropriate content posted to its social media sites that cannot immediately be removed.

The following types of content are prohibited to both administrators and commenters on social media sites operated by AHA, and AHA reserves the right to remove any such content as soon as possible without notice:

- User-generated content unrelated to the stated purpose of the social media site and not topically related to AHA programs, services, projects, issues, events and activities, or the particular post being commented upon;
- Obscene content, "fighting words," or terrorist threats as defined by the California Penal Code;
- Defamatory statements as defined by applicable law;
- Posts and comments that include vulgar, offensive, threatening or harassing language, personal attacks or unsupported accusations;
- Obscene or sexual content or links to obscene or sexual content illegal activity or encouragement of illegal activity;
- Political statements, including comments that endorse or oppose political candidates or ballot propositions;
- Religious statements, including comments that endorse or oppose any type of religious opinions or activities;

- Content that promotes, fosters, or perpetuates discrimination on the basis of race, creed, color, age, religion, gender, marital status, status with regard to public assistance, national origin, physical or mental disability gender identity, sexual orientation or other protected status;
- AHA reserves the right to post about post about events that include and represent the diverse community in the City of Alameda.
- Information that may tend to compromise the safety or security of the public or public systems;
- Private, personal information published without consent of the individual identified;
- Confidential content that violates a legal ownership interest of any other party;
- Solicitations for commerce, and posts and comments that promote or advertise commercial services, entities or products except as stipulated in AHA's marketing plans and determined by AHA to be essential to longstanding AHA efforts and housing development;
- Photos, video, sounds or other material that fall in any of the above categories; and
- Links to materials or external sites that fall under one of the aforementioned categories.

Removal of Content

AHA reserves the right to restrict or remove any content that is deemed in violation of this policy or any applicable law. Any content removed based on these guidelines must be retained, including the time, date and identity of the poster when available in accordance with AHA's record retention policy.

In the event AHA decides not to display a posting on social media or removes a posting, an aggrieved person may submit a written appeal within seven (7) calendar days to the Community Relations Manager. A decision by the Community Relations Manager may be appealed in writing to the Executive Director or designee within seven (7) calendar days of issuance the appeal decision. The decision of the Executive Director or designee is final.

Endorsements

Social media include various tools that endorse or validate posts by others, including, but not limited to, the ability to follow, like, or favorite on Facebook and LinkedIn. Where possible such public comment tools will be disabled for AHA posted content and social media sites.

AHA social media tools will not be used to endorse in this manner political parties or campaigns or any sort, elected or appointed officials, candidates for public office, or ballot measures. AHA social media will not be used to endorse products or companies that seek commercial gain.

Violation/Enforcement

Any employee or other agent of AHA found to have violated this policy may also be found in violation of IT policy and may be subject to account termination without prior notice and will have his/her rights removed/disabled and/or may be subject to disciplinary action, up to and including termination of employment. Violation of state and local laws will be referred to the proper authorities. In addition, any violation may result in the removal and/or suspension of the social media site that has been compromised.


General Disclaimer

AHA provides external links solely for its readers' information and convenience. Additionally, some social media posts may contain links to advertising or other content posted by the host site. Upon selecting a link to an external website, a reader accepts that he or she is navigating away from AHA's content and is subject to the privacy and security policies of the owners, sponsors and/or authors of the external website.

The Housing Authority of the City of Alameda:

1. Reserves the right to restrict or remove any content that is deemed in violation of this policy, any other AHA policy, or any applicable law.
2. Disclaims any and all responsibility and liability for inappropriate material posted by visitors.
3. Disclaims any and all responsibility and liability for any materials that AHA deems inappropriate for posting that cannot be removed in an expeditious and otherwise timely manner.
4. Does not control or guarantee the accuracy, relevance, timeliness, or completeness of information contained on a linked website.
5. Does not endorse the organizations sponsoring linked websites or the views they express or the products/services they offer.

6. Cannot and does not authorize the use of copyrighted materials contained in linked websites. Users must request such authorization from the sponsor of the linked website.
7. Is not responsible for transmissions users receive from linked websites.
8. Does not guarantee that external websites comply with Section 504 (Accessibility Requirements) of the Rehabilitation Act.
9. Does not endorse any entity, product, service, or organization referenced by, or within, any linked site. These references are not intended to reflect the opinion of AHA, its officers or employees, or its related entities concerning the significance, priority, or importance to be given the referenced entity, product, service or organization, and may not be quoted or reproduced for the purpose of stating or implying AHA endorsement or approval of any product, person, service or organization.



**Housing
Authority of the City of Alameda**

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Sylvia Martinez, Director of Housing and Development

Date: May 19, 2021

Re: Accept the Low- and Moderate-Income Housing Asset Fund Reports for FY 2018-2019 and FY 2019-2020

BACKGROUND

On January 4, 2013, the Housing Authority became the Housing Successor for the Low- and Moderate-Income Housing Assets of the former Community Improvement Commission of the City of Alameda (CIC). In October 2013, California Senate Bill 341 was signed into law and this legislation established new reporting requirements for Successor Agencies. The reporting period corresponds to the Housing Authority's fiscal year.

DISCUSSION

As a condition of becoming the Housing Successor, the Authority received cash and notes receivable owned by the prior CIC. The cash assets are held in a separate account, called the Low Moderate Income Housing Asset Fund (LMIHAF). The beginning and ending account balances of the LMIHAF are included within the Housing Authority's consolidated Annual Financial Audit Report. Each Housing Successor may utilize up to \$200,000 annually for administrative expenses including salary, professional services and overhead costs. As part of the five-year reporting requirement, future allocations of funds must be restricted to units serving households at 30% of area median income or lower.

The attached Low- and Moderate-Income Housing Asset Fund Reports for the years ending June 30, 2019 and June 30, 2020 are hereby submitted to the Board of Commissioners. After approval, the reports will be posted on the Housing Authority website.

RECOMMENDATION

Accept the Low- and Moderate-Income Housing Asset Fund Reports for FY 2018-2019 and FY 2019-2020.

Respectfully submitted,

DocuSigned by:

Sylvia Martinez

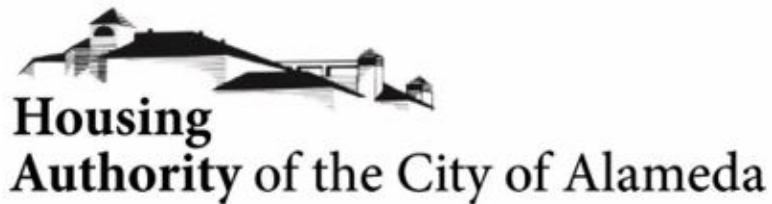
Sylvia Martinez

Director of Housing and Development

Attachment(s):

1. Low- and Moderate-Income Housing Asset Fund Reports, FY2018-19 and FY2019-2020
2. Housing Successor Five Year Report 2019-2020





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Attachment 1

Low and Moderate Income Housing Asset Fund Report Fiscal Year 2018-19

Introduction

The Housing Authority of the City of Alameda became the Housing Successor for the Low- and Moderate-Income Housing Assets of the former Community Improvement Commission of the City of Alameda (CIC) on January 5, 2012 per City of Alameda Resolution No. 14643. The CIC had previously been Alameda's redevelopment agency, until state law dissolved RDAs in 2012.

The Dissolution Act provided instructions for how redevelopment agency successors can utilize assets and set forth reporting requirements for annual and five-year reports to the state. The purpose of this report is to provide the governing body of the Housing Successor with an annual report on the housing assets and activities of the Housing Successor, in compliance with California Health and Safety Code Sections 34176.1 (Dissolution Law). The reporting period corresponds to the Housing Authority's fiscal year. This annual report covers the period July 1, 2018 through June 30, 2019.

I. Amount Deposited into LMIHAF:

(1) The amount the city, county, or city and county received pursuant to Section 34191.4 (b)(3)(A).

(2) The amount deposited to the Low and Moderate Income Housing Asset Fund (LMIHAF), distinguishing between amounts deposited pursuant to 34191.4 (b)(3)(B & C). Amounts deposited for other items listed on the Recognized Obligations Payment Schedule, and other amounts deposited.

Deposits to the LMIHAF for FY 2018-19.

Deposits	
Principal payments	\$0
Interest payments	\$35,473
Miscellaneous	\$60,000
ROPS	-\$415,734
Total Amount Deposited	-\$323,333

II. Ending Balance in the LMIHAF:

A statement of the balance in the fund as of the close of the fiscal year, distinguishing any amounts held for items listed on the Recognized Obligation Payment Schedule from other amounts.

The ending balance on June 30, 2019 of the assets of the LMIHAF was \$16,127,676, of which \$0 was held for items listed on the ROPS.

III. Description of Expenditures from the LMIHAF:

A description of expenditures from the fund by category, including, but not limited to, expenditures (A) for monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the redevelopment agency or the housing successor and administering the activities described in paragraphs (2 & 3) of subdivision (a).

Expenditures made during the fiscal year 2018-19 from the LMIHAF.

Total LMIHAF Expenditures	
Monitoring and Administration	\$116,935
Housing Development Expenditures	\$0
Total Expenditures for LMIHAF	\$116,935

IV. Statutory Value of Assets Owned by Housing Successor:

As described in 34191.1 (a)(1), the statutory value of real property owned by the housing successor, the value of loans and grants receivable, and the sum of these two amounts.

The chart(s) below reflect the statutory value of assets and notes held by the Housing Successor.

Value of Assets Owned by Housing Successor	
Loans/Notes Receivable	
Jack Capon Villa Loan	\$1,400,000
Stargell Commons Loan	\$2,000,000
Breakers at Bayport Loan	\$1,408,790
Alameda Islander Loan	\$8,600,000
Moore Loan	\$31,800

Nebeker Loan	\$31,800
Value of Assets Owned by Housing Successor cont.	
Tamiko Loan	\$23,600
Island City Development	\$300,000
Total Loans/Notes Receivable	\$13,795,990

V. Description of Transfers

A description of any transfers made pursuant to 34191.1(c)(2) in the previous fiscal year and, if still unencumbered, in earlier fiscal years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service.

The Housing Successor did not make any LMIHAF transfers to other Housing Successors pursuant to Section 34176.1(c)(2) during fiscal year 2018-19.

VI. Project Descriptions

A description of any project for which the housing successor receives or holds property tax revenue pursuant to the Recognized Obligation Payment Schedule and the status of that project.

The Housing Successor did not receive or hold property tax revenue pursuant to the ROPS for any of the Housing projects during fiscal year 2018-19.

VII Status of Compliance

For interests in real property acquired by the former redevelopment agency prior to February 1, 2012, a status update on compliance with Section 33334.16. For interests in real property acquired on or after February 1, 2012, a status update on the project.

No real property was transferred to the Housing Successor.

IIX. Description of Outstanding Obligations

A description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successor's plans to meet unmet obligations. In addition, the housing successor shall include in the report posted on its Internet Web site the implementation plans of the former redevelopment agency.

According to the Implementation Plan for the former redevelopment agency, no replacement housing obligations were transferred to the Housing Successor.

IX. Extremely Low-Income Test

This section provides the information required by Section 34191.1(a)(3)(B), or a description of expenditures by income restriction for five-year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met. Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the AMI.

The table below reflects the eleven-year period reviewed between July 1, 2008 and June 30, 2019.

Extremely Low-Income Test: 2012-2019	
Amount spent on units restricted at 30% AMI	\$0
Jack Capon Villa Loan	\$13,795,990
Statutory test met?	No

If the Housing Successor fails to comply with the Extremely-Low Income requirement in any five-year report, then the Housing Successor must ensure that at least 50% of the funds remaining in the LMIHAF be expended in each fiscal year following the latest fiscal year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement.

X. Senior Housing Test

The percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the same time period.

The table below reflects the eleven-year period reviewed between July 1, 2008 and June 30, 2019.

Senior Housing Test	# of Units
Assisted Senior Rental Units	30
Total Assisted Rental Units	165
Senior Housing Test (%)	18%

XI. Excess Surplus Test

The amount of any excess surplus, the amount of time that the successor agency has had excess surplus, and the housing successor's plan for eliminating the excess surplus.

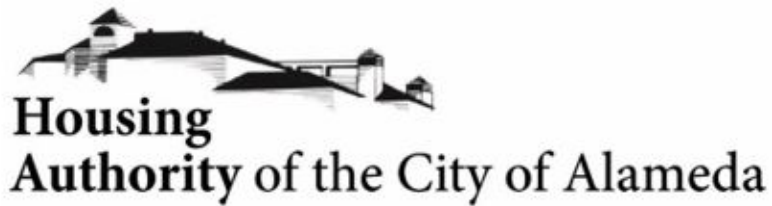
The excess surplus as of June 30, 2019 is \$0.

XII. An Inventory of Homeownership Units

An inventory of homeownership units assisted by the former redevelopment agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency's investment of moneys from the Low- and Moderate-Income Housing Fund pursuant to 33334.3(f). This inventory shall include all of the following information:

- a) The number of those units.*
- b) In the first report pursuant to this subdivision, the number of units lost to the portfolio after February 1, 2012, and the reason or reasons for those losses. For all subsequent reports, the number of the units lost to the portfolio in the last fiscal year and the reason for those losses.*
- c) Any funds returned to the housing successor as part of an adopted program that protects the former redevelopment agency's investment of moneys from the Low- and Moderate-Income Housing Fund.*
- d) Whether the housing successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.*

No homeownership units were transferred to the Housing Successor.



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Attachment 2

Low and Moderate Income Housing Asset Fund Report Fiscal Year 2019-20

Introduction

The Housing Authority of the City of Alameda became the Housing Successor for the Low and Moderate Income Housing Assets of the former Community Improvement Commission of the City of Alameda (CIC) on January 5, 2012 per City of Alameda Resolution No. 14643. The CIC had previously been Alameda's redevelopment agency, until state law dissolved RDAs in 2012.

The Dissolution Act provided instructions for how redevelopment agency successors can utilize assets and set forth reporting requirements for annual and five-year reports to the state. The purpose of this report is to provide the governing body of the Housing Successor with an annual report on the housing assets and activities of the Housing Successor, in compliance with California Health and Safety Code Sections 34176.1 (Dissolution Law). The reporting period corresponds to the Housing Authority's fiscal year. This annual report covers the period July 1, 2019 through June 30, 2020.

I. Amount Deposited into LMIHAF:

(1) The amount the city, county, or city and county received pursuant to Section 34191.4 (b)(3)(A).

(2) The amount deposited to the Low and Moderate Income Housing Asset Fund (LMIHAF), distinguishing between amounts deposited pursuant to 34191.4 (b)(3)(B & C). Amounts deposited for other items listed on the Recognized Obligations Payment Schedule, and other amounts deposited.

Deposits to the LMIHAF for FY 2019-20.

Deposits	
Principal payments	\$0
Interest payments	\$10,330
Miscellaneous	\$0
ROPS	\$0
Total Amount Deposited	\$10,330

II. Ending Balance in the LMIHAF:

A statement of the balance in the fund as of the close of the fiscal year, distinguishing any amounts held for items listed on the Recognized Obligation Payment Schedule from other amounts.

The ending balance at June 30, 2020 of the assets of the LMIHAF was \$15,999,709, of which \$0 was held for items listed on the ROPS.

III. Description of Expenditures from the LMIHAF:

A description of expenditures from the fund by category, including, but not limited to, expenditures (A) for monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the redevelopment agency or the housing successor and administering the activities described in paragraphs (2 & 3) of subdivision (a).

Expenditures made during the fiscal year 2019-20 from the LMIHAF.

Total LMIHAF Expenditures	
Monitoring and Administration	\$152,938
Housing Development Expenditures	\$0
Total Expenditures for LMIHAF	\$152,938

IV. Statutory Value of Assets Owned by Housing Successor:

As described in 34191.1 (a)(1), the statutory value of real property owned by the housing successor, the value of loans and grants receivable, and the sum of these two amounts.

The chart(s) below reflect the statutory value of assets and notes held by the Housing Successor.

Value of Assets Owned by Housing Successor	
Loans/Notes Receivable	
Jack Capon Villa Loan	\$1,400,000
Stargell Commons Loan	\$2,000,000
Breakers at Bayport Loan	\$1,408,790
Alameda Islander Loan	\$8,600,000
Moore Loan	\$31,800

Nebeker Loan	\$31,800
Value of Assets Owned by Housing Successor cont.	
Tamiko Loan	\$23,600
Island City Development	\$300,000
Total Loans/Notes Receivable	\$13,795,990

V. Description of Transfers

A description of any transfers made pursuant to 34191.1(c)(2) in the previous fiscal year and, if still unencumbered, in earlier fiscal years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service.

The Housing Successor did not make any LMIHAF transfers to other Housing Successors pursuant to Section 34176.1(c)(2) during fiscal year 2019-20.

VI. Project Descriptions

A description of any project for which the housing successor receives or holds property tax revenue pursuant to the Recognized Obligation Payment Schedule and the status of that project.

The Housing Successor did not receive or hold property tax revenue pursuant to the ROPS for any of the Housing projects during fiscal year 2019-20.

VII Status of Compliance

For interests in real property acquired by the former redevelopment agency prior to February 1, 2012, a status update on compliance with Section 33334.16. For interests in real property acquired on or after February 1, 2012, a status update on the project.

No real property was transferred to the Housing Successor.

IIX. Description of Outstanding Obligations

A description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successor's plans to meet unmet obligations. In addition, the housing successor shall include in the report posted on its Internet Web site the implementation plans of the former redevelopment agency.

According to the Implementation Plan for the former redevelopment agency, no replacement housing obligations were transferred to the Housing Successor.

IX. Extremely Low-Income Test

This section provides the information required by Section 34191.1(a)(3)(B), or a description of expenditures by income restriction for five-year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met. Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the AMI.

The table below reflects the eleven-year period reviewed between July 1, 2008 and June 30, 2020.

Extremely Low-Income Test: 2012-2019	
Amount spent on units restricted at 30% AMI	\$0
Amount spent on all other restricted units	\$13,795,990
Statutory test met?	No

If the Housing Successor fails to comply with the Extremely-Low Income requirement in any five-year report, then the Housing Successor must ensure that at least 50% of the funds remaining in the LMIHAF be expended in each fiscal year following the latest fiscal year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement.

X. Senior Housing Test

The percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the same time period.

The table below reflects the eleven-year period reviewed between July 1, 2008 and June 30, 2020.

Senior Housing Test	# of Units
Assisted Senior Rental Units	30
Total Assisted Rental Units	165
Senior Housing Test (%)	18%

XI. Excess Surplus Test

The amount of any excess surplus, the amount of time that the successor agency has had excess surplus, and the housing successor's plan for eliminating the excess surplus.

The excess surplus as of June 30, 2020 is \$0.

XII. An Inventory of Homeownership Units

An inventory of homeownership units assisted by the former redevelopment agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency's investment of moneys from the Low and Moderate Income Housing Fund pursuant to 33334.3(f). This inventory shall include all of the following information:

- a) The number of those units.*
- b) In the first report pursuant to this subdivision, the number of units lost to the portfolio after February 1, 2012, and the reason or reasons for those losses. For all subsequent reports, the number of the units lost to the portfolio in the last fiscal year and the reason for those losses.*
- c) Any funds returned to the housing successor as part of an adopted program that protects the former redevelopment agency's investment of moneys from the Low and Moderate Income Housing Fund.*
- d) Whether the housing successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.*

No homeownership units were transferred to the Housing Successor.



Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Allyson Ujimori, Senior Project Manager

Date: May 19, 2021

RE: Authorize Comcast Cable Communications Management, LLC access to Rosefield Village site to install, maintain, and operate their equipment for the purpose of providing tenants access to TV, internet, and voice services.

BACKGROUND

Rosefield Village includes new construction of 78 units and renovation of 14 units, totaling 92 units located on the 700 block of Buena Vista Ave. ICD is the developer. The overall project scope includes both, rehabilitation of existing structures and construction of a new building in the middle of the site. In addition to the 78 units, the new central building includes onsite laundry, property management offices, social service coordination offices, a community room, and central courtyard with play structures. Twelve existing units, in five buildings, on the east and west sides of the new building will be renovated, and one house will be converted into a duplex. The Housing Authority is the landowner, lender, and a project-based voucher contract administrator.

DISCUSSION

As the project progresses through construction, staff has wrapped up negotiations with communications utility companies to ensure that services will be available to tenants upon project completion. This request pertains to the Xfinity Communities Services Agreement, which allows Comcast Cable Communications Management, LLC access to the property and units to install and maintain their equipment.

The Agreement will be signed and executed by Constitution and Eagle LP and was authorized by the ICD Board on April 29, 2021.

FINANCIAL IMPACT

This Access Agreement will have no fiscal impact. Comcast is responsible for installing, maintaining, and operating their equipment.



Honorable Chair and
Members of the Board of Commissioners

May 19, 2021⁸⁶
Page 2 of 2

RECOMMENDATION

Authorize Comcast Cable Communications Management, LLC access to Rosefield Village site to install, maintain, and operate their equipment for the purpose of providing tenants access to TV, internet, and voice services.

Respectfully submitted,

DocuSigned by:

418D73564575498...
Allyson Ujimori
Senior Project Manager

Attachment(s):

1. Xfinity Communities Service Agreement between Constitution and Eagle LP and Comcast Cable Communications Management, LLC.

XFINITY COMMUNITIES SERVICE AGREEMENT

Service Order

Customer Information

Customer Name:	CONSTITUTION & EAGLE LP	Property Address 1:	727 Buena Vista Avenue
Property Name:	Rosefield Village	Address 2:	
Number of Units:	92	City, State, Zip:	Alameda, CA 94501

Agreement Term

This Agreement begins on 6/1/2021 ("Effective Date") and shall remain in effect for a term of 10 years from 6/1/2021 (the "Initial Term"). This Agreement shall automatically renew for successive periods of 90 Days (each, a "Renewal Term"), unless either party provides the other with a minimum of 60 days' notice of its intention not to renew at the end of the then-current term. The Initial Term and each Renewal Term may be collectively referred to herein as the "Term."

Wiring

Company has non-exclusive use of the home run wiring and non-exclusive use of the home wiring.

WiFi Ready

Company shall install WiFi Equipment to enable its WiFi services. Company shall have the Non-exclusive use of the Media Panels.

Marketing Rights at the Property

Customer's Marketing Support shall be as follows:

Service	Type of Marketing
TV	No Marketing
Internet	No Marketing
Voice	No Marketing

Notwithstanding anything in the Terms and Conditions to the contrary, Company is not permitted to market using door hangers.

	Courtesy Common Area TV Outlets			
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Agreement

This Xfinity Communities Service Agreement (“Agreement”) sets forth the terms and conditions under which Comcast Cable Communications Management, LLC and its operating affiliates (“Company”) will provide residential products and services (collectively, the “Services”) to the customer named above (“Customer”) at the property named above (“Property”). This Agreement consists of this fully executed Service Order (“Service Order”), the General Terms and Conditions (“General Terms”), any attachments included herewith (“Attachments”) and any written amendments to this Agreement executed by both parties (“Amendments”). In the event of an inconsistency among these documents, precedence will be as follows: (1) Amendments, (2) Service Order, (3) Attachments, (4) General Terms. Customer and Company may be collectively referred to herein as the “Parties” or individually as a “Party.” The parties, intending to be legally bound agree to be bound by the terms and conditions set forth in the Agreement. Capitalized terms used but not defined in this Service Order shall be given their meanings set forth in the General Terms and capitalized terms used but not defined in the General Terms shall be given their meaning set forth in this Service Order.

The parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

Customer:

Constitution and Eagle LP
a California limited partnership

By: Rosefield LLC
a California limited liability company
Its: Managing General Partner

By: Island City Development
a California nonprofit public benefit corporation
Its: Sole Manager

Company:

By: _____
Name: Vanessa Cooper
Title: Executive Director

By: _____
Name: Keith Turner
Title: Regional Vice President, Sales and Marketing

ADDRESSES FOR LEGAL NOTICES

To Customer:	To Company:
CONSTITUTION & EAGLE LP 701 Atlantic Ave Alameda, CA 94501	Comcast Cable Communications Management, LLC 3011 COMCAST PLACE, LIVERMORE CA 94551
	With a copy to:
	Comcast Cable Communications Management, LLC 1701 JFK Blvd Philadelphia, PA 19103 Attn: General Counsel – Cable Legal Operations

GENERAL TERMS AND CONDITIONS**1. Wiring.****(a) Definitions.**

- i. **“Demarcation Points”** means the point or points at which the Distribution System connects to the Home Run Wiring.
- ii. **“Distribution System”** consists of all facilities, equipment or devices that are installed by Company to transmit the Services from the public right of way to the Demarcation Points on the Property, and may include, but not be limited to, distribution cables, amplifiers, pedestals, lock boxes, passive and electronic devices and other equipment. It shall also include any other facilities, equipment or devices installed by Company, other than the Inside Wiring, and used by Company in the provision of Services.
- iii. **“Exclusive Wiring”** means the Distribution System and those portions of the Inside Wiring (if any) indicated as exclusive in the Service Order.
- iv. **“Home Wiring”** means the wiring within each unit from the first splitter or multimedia panel (as applicable) to wall plates.
- v. **“Home Run Wiring”** means the wiring from the Demarcation Points to the first splitter or multimedia panel (as applicable) within each unit.
- vi. **“Inside Wiring”** consists of Home Run Wiring and Home Wiring.
- vii. **“Non-Exclusive Wiring”** means those portions of the Inside Wiring that are not Exclusive Wiring.
- viii. **“System”** consists of the Distribution System and Inside Wiring.

- (b) **Scope of Work.** If either Party is installing, upgrading or re-wiring any portion of the System, a Scope of Work will be attached setting forth the responsibility of the parties regarding such work. The Parties agree to comply with the Scope of Work.
- (c) **Company Obligations.** Any work performed by Company on the Property shall be done in a good and workmanlike manner, in accordance with industry standards, local codes, applicable law, and, Federal Communications Commission (“FCC”) regulations. Company will be responsible for obtaining all necessary permits, licenses and approvals in connection with the Company’s operation and use of the wiring as set forth herein.
- (d) **Ownership of Wiring.** The Distribution System is and will remain the personal property of Company. The Home Run Wiring is and will remain the personal property of Customer. The Home Wiring is and will remain the personal property of Customer or, where units and in-unit wiring are individual owned, the unit owner (“Resident Owned Wiring”).
- (e) **Use and Maintenance of Wiring.** Customer grants Company the exclusive right to operate and use the Exclusive Wiring and the non-exclusive right to operate and use the Non-Exclusive Wiring. The Customer shall not, and shall not knowingly permit any third party to, tap into, use, or otherwise interfere with the Exclusive Wiring. At its expense, Company shall maintain, repair and replace the Exclusive Wiring as necessary to provide the Services. At its expense, Customer shall maintain, repair and replace the Non-Exclusive Wiring. If the Customer fails to maintain the Non-Exclusive Wiring in accordance with Company’s technical specifications, Company shall notify Customer (which may be accomplished by notifying Customer’s on-site personnel) and request the repairs. If the repairs are not made within 30 days after receipt of such notice, Company may (i) suspend

delivery of the Services to the affected units until repairs are made by Customer or (ii) if repairs are not made by Customer within 30 days after notice is provided by Company, Company has the right but not the obligation to repair the cable home run and/or cable home wiring as necessary and charge the Owner for all materials and labor expended by the Company, not to exceed \$500.00 per unit. If the charges exceed \$500.00 Company will obtain prior written approval from Customer before to making repairs.

(f) **Electrical Power.** Customer shall provide electrical power, at Customer's expense, for the Distribution System or Inside Wiring as requested by Company in locations reasonably designated by Company. Company shall have the right (but not the obligation) to install optical network units (each, an "ONU"), modems or other required equipment in units where applicable and deemed necessary by Company. Such equipment shall remain owned by Company, unless otherwise agreed in writing with Customer or a resident. In addition, if requested by Company, Customer shall, at Customer's cost, provide one or more environmentally controlled spaces in mutually agreed upon locations on the Property for distribution facilities.

2. **Delivery of Service.** Customer grants to Company the non-exclusive right to deliver its Services to the Property.

3. **Customer Obligations.**

(a) Customer shall not enter into a bulk agreement with another service provider to services similar to the Services during the Term regardless of the method used to deliver services to the Property. A "bulk agreement" means an agreement between Customer and a third party service provider whereby (i) services are paid for by the Customer and provided to the residents at no charge, on a reduced rate or discounted basis; (ii) services are automatically provided to the residents as an amenity of the Property or (iii) the purchase of services by residents is required as a condition of their occupancy of the Property. However, nothing in this Agreement shall prohibit service providers from providing service to the Property on a retail basis, provided that Customer does not permit a third party to access any facilities, equipment or wiring Company owns or has exclusive rights to use.

(b) Customer shall reasonably cooperate with Company to prevent, but shall not be liable for, the unauthorized access to equipment or Services by residents of the Property. Customer is not responsible for the return of any Company equipment contracted for by residents.

(c) Notwithstanding anything to the contrary contained herein, Company acknowledges that Customer may enter into agreements with other service providers for services similar to the services that are the subject of this Agreement.

4. **Fees and Charges for Services.** For Services provided to residents on a retail basis, the terms, conditions, charges and fees for those Services shall be contained in separate contracts between Company and individual residents. The Customer assumes no liability or responsibility for service charges contracted for by residents.

5. **Access.**

(a) Customer grants Company personnel access to all common areas of the Property during Company's Operating Hours (as defined below) for the purpose of installing, disconnecting and auditing Service and exercising Company's right and obligations under this Agreement. Non-access to a common area during the hours of 7am to 7 pm does not constitute default under the agreement. Customer shall use reasonable efforts to grant Company access to common areas and parts of the Property it does not have direct control over for the same purposes. Company personnel will not enter into any occupied unit without the resident's consent or an adult representative of the resident present. "Operating Hours" means Monday through Sunday, 7:00am to 7:00pm or at any other time that (i) Customer's staff members at the Property give verbal consent for Company to access,

- (ii) a maintenance or repair emergency occurs, which includes service outages, or (iii) a resident grants Company personnel access in order to provide or repair services for the resident.
- (b) Company, at its expense, agrees to repair any damage to the Property to the extent caused by Company, its employees or agents, normal wear and tear expected. If Company fails to commence repairs to the Property within 45 days of notice, then Customer may undertake the repairs itself and bill the Company for the actual and reasonable costs thereof. Customer, at its expense, agrees to pay the reasonable and actual costs for Company to repair or replace any damage to the Distribution System or Exclusive Wiring to the extent caused by Customer, its employees or agents, normal wear and tear excepted.
6. **Indemnification.** To the extent allowed by applicable law, each party (the "Indemnifying Party") shall indemnify, defend and hold harmless the other party, its officers, directors, personnel, affiliates, lenders, agents and representatives (collectively, the "Indemnified Parties") from and against any and all liability, loss, damage, claim or expense (including reasonable attorneys' fees and costs) (collectively, "Damages") incurred through a third party claim to the extent based on (i) the negligence or willful misconduct of the Indemnifying Party, (ii) the Indemnifying Party's noncompliance with applicable laws (iii) the breach or inaccuracy of any representation or warranty made hereunder by the Indemnifying Party or (iv) any injury (including death), damage or loss to persons or property caused by the Indemnifying Party. The Indemnified Parties agree to provide the Indemnifying Party with sufficient notice of any claim and to provide reasonable cooperation with the Indemnifying Party in the defense of the claim at Indemnifying Party's cost. In the event that the Secretary of the Department of Housing and Urban Development ("HUD") succeeds to the interests of Customer, any obligations of Customer "or its successors and assigns" to indemnify the Company or to hold the Company harmless under this Agreement, and any obligation of Customer to participate in arbitration proceedings, shall be held in abeyance, without prejudice to the Company, until such time as HUD has transferred the property to a new third party owner, who shall be automatically deemed to have assumed all such obligations hereunder effective immediately upon recording of the deed from HUD to the new owner. This Section 5 shall survive termination and expiration of this Agreement for a period of 3 months.
7. **Limitation of Liability.** NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING DAMAGES FOR LOST PROFITS, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER ARISING UNDER THEORY OF CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE.
8. **Termination.**
- (a) **Default.** In the event either Party defaults in the performance of any of the material terms of this Agreement, the non-defaulting Party shall give the defaulting Party written notice specifying the nature of such default and identifying the specific provision in this Agreement which gives rise to the default. The defaulting Party shall have 60 days to either (i) cure the default or (ii) if such default is incapable of cure within such 60 day period, commence curing the default within such 60 day period and diligently pursue such cure to completion. In the event the defaulting Party fails to do so within such 60 day period, the non-defaulting Party may terminate this Agreement upon 30 days' written notice without further liability of either party.
- (b) **Permanent Loss of Authority.** This Agreement shall terminate automatically without any further liability on the part of Company in the event Company lacks authority to continue to provide the Services to the Property due to loss of governmental authorization. This clause, however, shall not apply to periods of transition, such as franchises subject to review, transfer or reapplication, or where termination is the subject of dispute.

9. **Removal of Distribution System.**

- (a) Upon expiration or termination of this Agreement, Company shall have 3 months during which it may remove the Distribution System. Company shall promptly repair any damage to the Property caused by such removal. Any portion of the Distribution System remaining on the Property after the 3 month period shall be deemed abandoned by Company, and ownership shall vest in Customer "AS IS" and "WHERE IS" and Company shall have no further liability therefor.
- (b) Notwithstanding anything to the contrary contained in this Agreement, the removal period referenced in subsection (a) above shall be tolled for as long as Company has the right under applicable law to continue to provide any or all of the Services to any or all of the units on the Property after the termination or expiration of this Agreement, in which case Company shall have the exclusive right to continue to own and use the Distribution System and the non-exclusive right to interconnect with and use the Inside Wiring to provide the Services. This Section shall survive the termination of this Agreement.

10. **Customer Service.** Company will maintain a local or toll-free telephone number, which will be available to its subscribers 24 hours a day, 7 days a week. Company representatives will be available to respond to customer telephone inquiries during normal business hours. Company will begin working on service interruptions promptly and in no event later than the next business day after notification of the service problem, excluding conditions beyond the control of Company.

11. **Marketing Support.** Customer grants Company the right to present Company's Marketing Materials at a location mutually agreed to by the parties. Mutually approved, "Marketing Materials" may include, brochures, channel lineups, service descriptions, and information regarding prices and special offers. Marketing will be non-exclusive, as indicated in the Service Order. Marketing materials shall be provided by Company and delivered to the Property at Company's sole cost.

Website Link

12. **Interference.** If any device or facility on the Property does not comply with the technical specifications established by the FCC, including, but not limited to, signal leakage, which interferes with Company's delivery of the Services, Company reserves the right to discontinue the Services to the non-compliant unit or, at Company's reasonable discretion, to the Property until such non-conformance is cured by Company, Customer or resident, as the case may be.

13. **Changes to Wiring Rights.** In the event applicable law requires (i) Company to permit Customer or a third party to use all or a portion of the Distribution System or (ii) Customer to permit a third party to use all or a portion of the Exclusive Wiring, then such portions of the Distribution System and/or Exclusive Wiring shall be automatically deemed Non-Exclusive Wiring.

14. **Assignability; Binding Effect.** In the event Customer sells, assigns, transfers or otherwise conveys the Property to a third party, Customer shall give Company prior written notice of such change of ownership or control. Customer shall cause any new owner or controlling party to expressly assume this Agreement and agree to be bound by its terms. After such assumption by a new owner or controlling party, Customer shall not be liable for obligations under this Agreement which accrue on or after the date of such assignment. Company may assign this Agreement without the consent of Customer to any entity controlled by or under common control with Company, to any entity acquiring all or substantially all of Company's assets in the franchise area or any surviving entity following a merger, acquisition or consolidation. The assignee shall agree in writing to be bound by all the terms and conditions hereof.

15. **Representations and Warranties.** Each Party represents and warrants to the other that (i) the person entering into this Agreement on its behalf has the legal right and authority to execute, enter into and bind such Party to the

commitments and obligations set forth herein and (ii) it has the right to enter into this Agreement and to grant the rights granted hereunder. Customer represents and warrants that it either owns the property or that it has the authority to grant the rights herein to Company. In the event of a breach of these representations and warranties, Company shall have the right to immediately cease performance under this Agreement and/or terminate this Agreement without further liability to Company.

16. **Miscellaneous Provisions**

- (a) **Subcontractors**. Company may hire or engage one or more subcontractors to perform any or all of its obligations under this Agreement; provided that Company shall in all cases remain responsible for all its obligations under this Agreement. Under no circumstances shall Customer be responsible for making any payments directly to any subcontractor engaged by Company.
- (b) **Insurance**. Company shall maintain workers' compensation insurance with statutory limits and commercial general and automobile liability insurance. The limits of such liability insurance shall be no less than One Million Dollars (\$1,000,000) per occurrence and in the aggregate, and automobile liability limits no less than One Million Dollars (\$1,000,000) per accident and in the aggregate. Upon request, Company will provide Customer with a certificate evidencing such insurance.
- (c) **Force Majeure**. Neither Party shall be liable for its performance delay or failure due to circumstances beyond its reasonable control, including but not limited to, failure of equipment or facilities not owned or controlled by a Party (for example, utility service), denial of access to facilities or rights-of-way essential to serving the Property, natural catastrophes, and government order or regulation, provided the subject party of the force majeure event provides written notice to the other party promptly after the commencement of such force majeure event.
- (d) **Applicable Law**. This Agreement shall be governed and construed in accordance with applicable federal laws and regulations and by the laws of the jurisdiction in which the Property are located, without regard to its choice of law principles.
- (e) **Invalidity**. If any provision of this Agreement is found to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement will not be affected or impaired.
- (f) **Notices**. All notices, demands, requests or other communications given under this Agreement shall be in writing and be given by personal delivery, registered or certified mail, return receipt requested, or nationally recognized overnight courier service to the other Party's address set forth in the Service Order or as may subsequently in writing be requested.
- (g) **Confidentiality**. Except as otherwise required by applicable law, each Party agrees to keep the terms and conditions of this Agreement in strict confidence and shall not divulge any specifics of the same to any third party except current and prospective lenders, purchasers, attorneys, accountants, financial advisors, partners and/or others with a need to know or legal right to know (such as residents of a homeowners association) for Customer or Company to reasonably conduct its business. Company hereby acknowledges and agrees that Customer is subject to the disclosure requirements set forth in the California Public Records Act (California Government Code Section 6250 et seq.)

SCOPE OF WORK

1. **Installation or Upgrade of the System.** The following tables set forth the responsibilities of the parties with respect to installation of, or upgrade to, the components making up the System. Each party agrees that work performed by it shall be done in a good and workmanlike manner, in accordance with industry standards, local codes, and applicable law. Each Party is responsible for obtaining necessary permits for the work it performs hereunder. The Parties agree to reasonably cooperate regarding their construction and installation schedules. Customer agrees to comply with Company specifications regarding Customer's installation (if any) of any portions of the System. In the event Company determines that any wiring installed by Customer has not been installed in accordance with Company's specifications, Company shall not be required to continue its installation work or provide the Services until Customer's wiring is installed in accordance with its specifications.

DISTRIBUTION SYSTEM				
	Company		Customer	
	Pays for/Provides	Installs/Performs	Pays for	Installs/Performs
Trenching			x	x
Conduit (Pull Strings)			x	x
Pull Boxes			x	x
Cabling	x	x		
Termination/Testing	x	x		
Electronics	x	x		
Cross Connects (all)	x	x		

INSIDE WIRING				
	Company		Customer	
	Pays for/Provides	Installs/Performs	Pays for	Installs/Performs
Conduit/Microducts (Pull Strings)			x	x
Home run wiring			x	x
Home wiring			x	x
In-Unit Media Panels			x	x
Outlets & Wallplates			x	X
Structured Wiring Blocks/Modules			X	x

2. **Underground Facilities; Trenches.** Prior to Company's installation work, Customer shall provide to Company any plans it has locating underground facilities existing on the Property. Customer shall give Company at least 20 days' notice of the opening of utility trenches on the Property so that Company may, at its option, install its Distribution System in the common utility trenches.
3. **Media Panel Specifications.** Customer agrees to meet the following specifications with respect to the In-Unit Media Panel.
- The Media Panel will be plastic.
 - The Media Panel will be reasonably accessible and not obstructed.
 - If the Media Panel does not meet the depth requirements below, it will be compatible with a frame extender that provides added depth and will be installed in a location with sufficient space for a frame extender to be added.

d. The interior Media Panel dimensions will not be smaller than:

Dimensions if Comcast is sole provider occupying panel			Dimensions if multiple providers are occupying panel		
Height	Width	Depth	Height	Width	Depth
30"	14"	5"	42"	14"	5"

WiFi Ready Attachment

1. Customer grants Company the right to install in Media Panels in every unit on the Property the equipment and electronics necessary to allow residents to connect to Company's WiFi Service ("WiFi Equipment"). Customer will not tamper with, and will not permit tampering with, the WiFi Equipment, including its connection with power. The WiFi Equipment is and will remain the personal property of Company and the WiFi Service will be part of the Services. The WiFi Equipment includes the equipment and facilities necessary for Company to deliver the Internet Service over WiFi, but does not include the customer devices, such as laptops, tablets, mobile phones, necessary for the resident to receive the Internet Service.
2. Customer shall install or has installed Media Panels in each unit. The Media Panels will meet or exceed the specifications set forth below. Customer shall ensure Company has at least 50% contiguous space in each Media Panel. Customer, at Customer's cost, shall provide Company with electricity and two AC outlets in each Media Panel.

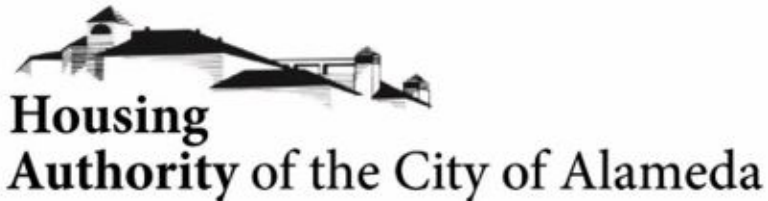
MEDIA PANEL SPECIFICATIONS

- a. The Media Panel will be plastic.
- b. The Media Panel will be reasonably accessible and not obstructed.
- c. If the Media Panel does not meet the depth requirements below, it will be compatible with a frame extender that provides added depth and will be installed in a location with sufficient space for a frame extender to be added.
- d. The interior Media Panel dimensions will not be smaller than:

Dimensions if Comcast is sole provider occupying panel			Dimensions if multiple providers are occupying panel		
Height	Width	Depth	Height	Width	Depth
30"	14"	5"	42"	14"	5"

3. If the Service Order states that Company has the exclusive use of the Media Panels, Customer shall not permit any third party service provider to install equipment in the Media Panels.
4. Upon Company's request, Customer shall provide Company with all necessary Property specific information, including but not limited to, a Property site map, detailed network/infrastructure wiring diagrams, number and makeup of all buildings at the Property and number of Ethernet ports in each unit.
5. In addition to any other marketing rights granted to Company in the Agreement, including any Attachments thereto, Customer agrees to market the WiFi Services to residents by (a) providing information about the WiFi Services to prospective residents and to new residents at the time of lease signing, (b) providing information about enabling the WiFi Services to residents prior to their move in date, (c) ensure each unit has information about the WiFi Services readily available to new residents at unit turn over and (d) include information about the availability of the WiFi Service on Customer's website (if any) ("WiFi Marketing"). Company shall provide Customer with the WiFi Marketing materials.
6. After a resident vacates a unit and before the unit is occupied by another resident, Customer is responsible to ensure the WiFi Equipment is in the Media Panel, is plugged in and is connected to the WiFi Equipment. Customer is required to notify Company if any WiFi Equipment is missing. From time to time, upon request

from Company, Customer shall confirm to Company within 10 business days, that the WiFi Equipment is in each unit and connected power and WiFi Equipment. Customer shall reimburse Company for Company's costs to replace any portion of the WiFi Equipment that is lost, stolen, missing or damaged within 30 days of receipt of an invoice from Company.



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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
 From: Tonya Schuler-Cummins, Senior Management Analyst
 Date: May 19, 2021
 RE: Conduct Public Hearing Regarding Cohort #4 Landlord Incentives

BACKGROUND

On January 7, 2021, HUD issued two PIH Notices (2021-02 and 2021-03) to request applications for the Moving to Work Program under Cohorts #3 and #4. Cohort #3 is for a demonstration program to test the efficacy of work requirements while Cohort #4 will test the effectiveness of landlord incentives. It was decided at the March 2021 Board of Commissioner's meeting to not pursue an application for Cohort #3; however, it was decided to move forward with the application for Cohort #4.

Three public meetings were held for Cohort #4. The first was held March 16, 2021 with one member of the public. A second meeting was held April 8, 2021 and the final meeting was held April 28, 2021 with three members of the public. During these three meetings, the incentives to be studied by the Department of Housing and Urban Development (HUD) were presented along with the incentives selected by the Housing Authority of the City of Alameda (AHA).

Before the application can be submitted on August 8, 2021 to HUD, two more public actions are needed: a Public Hearing to consider public comments on the application a resolution by the AHA's Board of Commissioners (or equivalent governing body) to approve the MTW Plan and application package by resolution no less than 15 days after that public hearing. This resolution must contain: confirmation of the PHA's desire to obtain MTW designation under the fourth cohort of the MTW Expansion; a statement of the intention to comply with the MTW objectives, the MTW statutory requirements and the MTW Operations Notice; confirmation that the PHA met the public process requirements in this section of this Notice; and a statement of the commitment to implement the landlord incentive activities proposed in the MTW Plan and application package. It is planned to request this resolution from the Board of Commissioners on June 16, 2021.

DISCUSSION

Under PIH Notice 2021-03, the AHA must select at least two activities from a list of nine for HUD to study under Cohort #4. The list of nine incentive activities that the AHA had to select from were (a summary is provided here, but more information can be obtained from the above PIH notice and the MTW Operations Notice):



- Allow Payment Standards to go up to 120% of Fair Market Rents (FMR)
- Use Small Area FMR (SAFMR) to set Payment Standards
- Vacancy Loss (between Housing Choice Voucher (HCV) participants)
- Front-end Vacancy Loss Payment (before an HCV participant, but after a market-rate tenant)
- Damage Claims
- Pre-Qualifying Unit Inspections – inspecting the unit up to 90 days before an HCV participant moves into the unit
- Alternate Inspection Schedule
- Waiver of Mandatory Initial Inspection
- Other Landlord Incentives – One example given was for incentive payments up to one month of contract rent (signing bonus)

At this point, the AHA intends to implement the following four options from HUD's list:

- Vacancy Loss (between HCV participants)
- Front-end Vacancy Loss Payment (before an HCV participant, but after a market-rate tenant)
- Pre-Qualifying Unit Inspections - inspecting the unit up to 90 days before an HCV participant moves into the unit
- Other Landlord Incentives - Incentive payments up to one month of contract rent (signing bonus)

Staff have experience with various damage claim programs from past HUD programs, and these claims tend to be very time consuming to process for a minimal benefit to landlords. In many cases, landlords are upset at the end of the damage claim process because it is a long, tedious process for small returns (normally). The age of the unit and depreciation for all elements in the unit along with the tenant's security deposit all have to be accounted for before a claim is paid out.

The AHA continues to monitor its payment standards and the rents, and the difference has been small. In 2020, rents dropped, so the AHA was unable to approve a lot of rent increases, but this was because of the comparable rents and not the payment standards. Several requests for rent at the payment standard level were recently denied due to the lower comparable rents.

There were three Housing Quality Standard options to consider. The implementation of the waiver for initial inspections would not allow the AHA to consider either of the other two inspection activities. The restrictions on the unit requirements to allow the participant to move in without an inspection made it likely that most times an inspection would be required as most units are over 5 years. Since landlords have expressed concern over the time it takes to inspect units prior to move-in, the AHA decided this was a better fit for the City of Alameda. Staff talked to staff from the Oakland Housing Authority, which has a similar MTW activity, and staff stated this was a very popular program with landlords and that many were pleased with the option to pre-inspect units.

The AHA's non-federally funded landlord incentive program has been working well, so the AHA decided to continue the program or a variation of the program by implementing the Other Landlord Incentives. This option would allow staff to increase the bonus from \$500 each to an amount up to one month of contract rent.



FINANCIAL IMPACT

No financial impact at this time.

RECOMMENDATION

Conduct Public Hearing Regarding Cohort #4 Landlord Incentives.

Respectfully submitted,

DocuSigned by:

Tonya Schuler - Cummins

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Tonya Schuler-Cummins
Senior Management Analyst

Attachment(s):

1. Draft MTW Application

TABLE OF CONTENTS

Attachment 1

Table of Contents for Cohort #4 Application Package Submission

PART I:

MTW Plan

Landlord Incentive Activities Information

PART II:

Appendix 1: Moving to Work Certifications of Compliance and Commitment to Participate in the Fourth Cohort Evaluation

Appendix 2: Public Process Documentation

Appendix 3: Required Standard Forms

Appendix 4: Other Supporting Documentation

MTW PLAN

(1) VISION FOR PHA'S LOCAL MTW PROGRAM

The primary goal of the Housing Authority of the City of Alameda (AHA), in partnership with the entire community, is to advocate and provide quality, affordable, safe housing; encourage self-sufficiency; and strengthen community inclusiveness and diversity in housing. AHA's Vision Statement is: "The Housing Authority of the City of Alameda shall continue to be recognized for creatively seeking ways to expand the availability of affordable housing through Alameda, for caring professional staff, and excellent service provided fairly to all".

Alameda City is located very close the city of San Francisco and Silicon Valley, the technology hub of the country, with headquarters for Apple, Facebook, and Google, to name just a few. While the high-tech industry has benefited the economy, it has unfortunately out bid low-income households. Fair Market Rent (CY2021) for a two-bedroom unit is \$2,383 per month. A full time, minimum wage worker earns approximately \$15 per hour or \$2,600 per month. Considering other expenses, rents are clearly unattainable for the minimum-wage earning households who are not a part of the assisted housing programs. The low-income family is at a disadvantage when competing with high-earning households that can afford to offer landlords more in rent than the asking price to secure units. At the same time, COVID-19 has highlighted the technology divide between low-income households and others while companies have moved almost all online and families have had to provide internet to allow students to participate in online learning at home.

During participation in Cohort #4, Landlord Incentives, the AHA will be using creative methods to encourage new landlord participation and continued landlord partnerships expanding housing choice for all voucher holders. During this cohort study, the AHA will continue to develop and maintain quality affordable housing for low-income residents, providing more housing choice along the entire spectrum of housing continuum. The AHA has been committed to helping participants in the Housing Choice Voucher program find units in its jurisdiction for many years and has implemented a non-federally funded landlord incentive program for the last few years.

AHA would like to expand partnerships in the area to assist low-income families in increasing computer access and literacy while earning skills to become more self-sufficient. After participation in the four-year Cohort for Landlord incentives, the AHA would like to design, implement, and sustaining exceptional programs that invest in the residents to become self-sufficient through an array of educational, employment, and economic platforms including exploring the possibility of offering incentives to families to participate in training programs or increasing the ability of participants to attend community college or universities.

MTW PLAN

The AHA has implemented many online solutions that assist with data integrity and effectiveness of staff. In order to increase the cost effectiveness of its programs, the AHA would continue developing and promoting policies that increase cost-effectiveness while shifting our focus from paper to people and outputs to outcomes.

The staff primarily responsible for the administration of the MTW will be the Director of Housing Programs in collaboration with the Executive Director, Senior Management Analyst and two Housing Programs Supervisors. The Director of Housing Programs has worked at three Public Housing Authorities (PHAs) including one MTW agency over her 18 years in the field. She has led the assisted programs at the AHA since 2016. She has operated both Public Housing units and Housing Choice Voucher programs efficiently and effectively while leading teams to achieve high PHAS and SEMAP scores. The Executive Director has been with the AHA since 2014 and has over 15 years working in a PHA. She has led the agency forward making many organizational changes to improve the efficiency of the agency, including maintaining voucher lease up and expanding the affordable housing supply in the City building two newly constructed LIHTC properties developed by AHA with another 90 units under construction and an additional 586 units in development. Her vision and strong leadership elevates the AHA to a leader in the area providing assistance to other PHAs that look to implement policies, procedures, or systems that the AHA has already implemented and perfected. She previously worked at the County of Santa Clara Housing Authority, an MTW agency, for over 6 years. This experience allowed her to make many strides forward in disposing of the public housing into an affordable LIHTC portfolio as the Real Estate Services Director and to utilize MTW flexibility to expand housing choice, improve administrative efficiency and increase resident self-sufficiency. The Senior Management Analyst has also worked for three PHAs including a MTW agency over the last 16 years. During her nine-year tenure with AHA, she has implemented many new software solutions for all staff including online portals prior to COVID that allowed staff to continue to provide high customer service during the pandemic including timely processing of income decreases reported online by participants with smart phones, tablets, or computers. One Housing Program Supervisor has been with the AHA for 25 years starting as a caseworker, being promoted to the Family Self-Sufficiency Coordinator, and most recently being promoted to a Housing Programs Supervisor. She has a solid understanding of the AHA and its procedures. The second Housing Program Supervisor has been with AHA since January 2021 but joined the agency from another Bay Area PHA where she was a part of the Housing Choice Voucher team for years. She brings a strong knowledge of the program and numerous ideas to improve the program.

The AHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of

MTW PLAN

1990, and will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those program, addressing those impediments in a reasonable fashion in view of the resources available and working with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the AHA's involvement and by maintaining records reflecting these analyses and actions.

(2) PLAN FOR FUTURE COMMUNITY/RESIDENT ENGAGEMENT

The AHA plans to continue to engage assisted households by publishing notices for public hearings in all newspapers in the area including in the following languages: Tagalog, Vietnamese, Spanish, and Chinese. Conducting Town Hall meetings with residents and participants in the voucher programs, inviting the public through newsletters, website posting, FaceBook page announcements and using other social media outlets.

Also by mailing out to the established wait list opening outreach listing, which has around 150 agencies on it working with families and sending an e-mail blast to individuals who provide their e-mail for contact through the AHA's website.

(3) PHA OPERATING AND INVENTORY INFORMATION

The AHA does not operate any public housing. The Annual Contributions Contract (ACC) for its Housing Choice Voucher program is 1885. As of May 5, 2021, the AHA was assisting approximately 1,400 families. These families include 40 Veterans Affairs Supportive Housing (VASH) families, 18 Family Unification Program (FUP) families, 55 Near Elderly Disabled (NED) families, and 338 units assisted under Project-Based Voucher contracts.

The AHA does not anticipate any major changes in the demographics of the households it serves. The AHA will open its wait list for most programs in 2021 but will do extensive outreach to all areas around the City of Alameda. In 2015 and 2016, the wait lists were open for the Housing Choice Voucher program (2015) and for the units assisted under the Project-Based Voucher program (2016). A random selection of all applications received (36,271 in 2015 and 21,952 in 2016) in each opening were added to the wait lists. The demographics of both the applications received and placed on the wait lists reflected the demographics of Alameda County.

MTW PLAN

The AHA does not have any housing stock under its programs with HUD. The AHA and its affiliates own multiple complexes that are not directly assisted under any HUD programs. The AHA has developed two Tax Credit complexes in the last few years and has an additional two projects under development, but those would not be affected by the MTW program.

The greatest challenge the AHA faces in leasing Housing Choice Voucher units is the availability of units on the private market. The AHA anticipates that participation in this cohort would address that issue. The AHA has used non-federal funds for the last few years to pay a monetary incentive to landlords leasing new units under the Housing Choice Voucher program; however, the Board of Commissioners review the program periodically and could withdraw their support of the program at any time as the funds used for the incentives are coming from the rents of the units owned by the AHA and may be needed at any time to support the units generating the income. As of April 2021 the AHA has paid around 50 landlords the incentive.

The AHA applied for VASH vouchers in 2016, 2017, 2018, and 2019. The AHA was awarded two allocations of 5 tenant-based vouchers each and one allocation for 45 PBV vouchers. Unfortunately, one private landlord was unable to secure a subsidy layering review, due to a loss of its new construction funding by the deadline, so only 30 of the PBV vouchers were successfully leased up in new units.

The AHA has been innovative in the technology solutions it has implemented in the last five years to streamline the operation of the program and to allow online access to information by its applicants, participants, landlords, and vendors. The AHA was perfectly positioned in March of 2020 to quickly launch three new online portals as staff had already launched the first portal and was in process with one of the other portals. Due to the unexpected Shelter-in-Place implemented in the state of California, the launch of three of the four portals was moved forward and completed within months of the need to allow submission of documents without contact between the submitter and staff. Staff then completed procurement procedures as quickly as possible to select and implement other virtual platforms for the Board of Commissioners, the general public, and staff to allow even more streamlining of documents and increased efficiency.

(4) PLAN FOR LOCAL MTW PROGRAM

Over time, the AHA would like to reduce the administrative burden of the programs by streamlining processes, like using online portals where participants, applicants, and landlords enter the data directly, reducing the errors made by staff attempting to read the writing of others. By using MTW flexibility with regards to HAP funds, that will allow the costs of these programs to be covered. Looking into alternate tenant rent policies, after the study for Cohort #4, will allow the AHA to realize cost savings in the HAP

MTW PLAN

payment for individual families and allow the AHA to possibly lease at its ACC with limited funds.

The AHA would like to make families self-sufficient over time in the programs by allowing skill building through self-sufficiency activities while looking at alternative rent models which allow the family to increase their portion of rent over time.

Housing Choice is a difficult objective for the participants in the AHA's program as the City of Alameda is located in the Bay Area with high rents. Landlords in the area do not need to rent to low-income families when higher income families will frequently pay more than the advertised rent to secure a unit. The AHA would like to increase the Housing Choice for the participants by increasing landlord participation, which is why Cohort #4 is a good fit for the AHA and by continuing to build low-income units.

(5) PROPOSED USE OF MTW FUNDS

The AHA does not have any public housing, so does not operate a traditional Section 9 program. The only flexibility of funding that the AHA would request is between the Section 8 Housing Assistance Payments (HAP) funds and the Administrative Fees. The AHA's voucher program is operating at a loss for Administrative Fees, so there are no fees available from that source to provide incentives for the landlords, so the AHA would use the MTW flexibility to use HAP funding to provide any financial incentives offered to landlords.

(6) EVIDENCE OF SIGNIFICANT PARTNERSHIPS

The AHA has significant partnerships with many other non-profits in the City of Alameda along with the local government. These include partnerships with:

- City of Alameda
- County of Alameda
- LifeSTEPS
- Boys and Girls Club
- Operation Dignity
- Alameda One Stop Career Center
- Wardrobe for Opportunity
- College of Alameda
- Alameda Adult School
- Find Financial Freedom
- Oakland Employment Development Department

The AHA currently provides non-federal funding to the Boys and Girls Club for sponsorships for any children of households residing in units owned by the AHA or

MTW PLAN

families participating in any of its assistance programs such as the Housing Choice Voucher program. This allows any child to be able to participate in the after-school programming and summer programs without cost to the family. The AHA strongly supports providing families with key resources, so two Social Workers are also funded through non-federal funds to allow for case management and advocacy for families facing difficult situations. This program also provides onsite food delivery for the three largest housing sites owned by the AHA from the local food bank along with a variety of other programming for both families and seniors to support healthy living and financial self-sufficiency. The AHA has partnerships that allow participants to take college courses and build their credit score while receiving housing assistance in affordable units.

The AHA also works closely with non-profits such as Resources for Community Development and Satellite Affordable Housing Association to build and provide affordable units to low-income residents.

The AHA works closely with the City of Alameda in obtaining CDBG and HOME funds to help maintain current units and to develop new units and providing bus passes for residents of new complexes developed by the Housing Authority. The AHA also works with the County in administering units for its Shelter Plus Care program and these residents are also eligible for the services provided by the AHA from non-federal funds.

The AHA recently formed a new partnership with the Corica Park Golf Course to allow the AHA families and children free access to its golf, footgolf, and disc golf courses. Corica Park invites under-represented communities to try the game of golf and enjoy the benefits of being outdoors. AHA intends to expand partnerships and create more programming for AHA families that enrich the lives of children and broaden their outlook of the world. The vision is for the AHA to be able to augment these programs through the MTW program to provide more training and educational opportunities for children and participants of its programs.

LANDLORD INCENTIVES ACTIVITIES INFORMATION

(1) LANDLORD NEEDS ASSESSMENT

Many landlords participating in the AHA's program are one- or two-unit owners. These are small "mom and pop" operations with limited resources and support. These longer tenured landlords have long relationships with their renters and try to maintain the affordability of the unit for the family. The struggle has been to replace low-income families that vacate a unit with a new low-income family.

As stated above, the rental market for the AHA's jurisdiction is normally very tight with low-income families competing in a market with high wage earners. The island of Alameda is a location in which many families want secure housing due to the excellent school system, its separation from other Bay Area cities, and the culture of the island promoting a slower "small town" feel in the Bay Area.

Many of the units available in Alameda were built in the late 1800s or early 1900s, so are difficult for landlords to maintain on lower rents. Some landlords allow the units to deteriorate and families are forced to live in substandard units. The Housing Quality Standard inspections required under the Housing Choice Voucher program do not allow the owners to allow repairs to be put off like some market rate tenants, grateful to have a unit on the island, would allow.

Landlords have indicated that the reason units are not rented to participants in the Housing Choice Voucher program are that rents approved under the program are not comparable to the market, the agency is a tenant advocate, there are not enough benefits to the program to make it worth the hassle, lengthy inspection process, timely payment of landlords, figuring out who to contact with issues, and the hassle of not being able to talk with finance.

The AHA has taken steps to address the issue of contacting staff, but under a traditional Housing Choice Voucher program, the inspection process and hassle of contract signing is a weakness of the program. The AHA sends the unit to the inspections scheduler the same day it is received and schedules it for the next available inspection. Under MTW allowing pre-inspections would allow the agency to market the program to landlords and reduce the time once a participant selects the unit. Unfortunately, with a slight downward turn in the market, rents that were approvable two months ago are no longer approvable, while the market rate tenants are still paying the higher rents in some cases without knowing of the market downturn.

One of the strengths of the program that COVID has highlighted to owners is the ability of the program to increase the payments with a decrease in income of family members. Under current ordinances, landlords have not been able to collect rents due to COVID, so a record number of units are suddenly being made available under the AHA's programs. A second strength of the program is to allow AHA staff to help mediate between the landlord and tenant when communications fail between the two parties.

LANDLORD INCENTIVES ACTIVITIES INFORMATION

(2) MTW COHORT #4 ACTIVITIES

The AHA is selecting to implement the following activities from the Cohort #4 MTW Activities List:

- Vacancy Loss
 - Up to 1-month contract rent vacant between HCV participants
- Pre-qualifying Unit Inspections
 - Pre-inspection within 90 days before HCV participant begins occupancy
- Cohort Waiver 4.2 – Front-end Vacancy Loss Payment
 - Does not need to be between HCV participants
 - Less than one month of contract rent
 - Must update Admin Plan
- Other Landlord Incentives
 - Signing bonus – up to one month of contract rent

Landlords frequently express concern about the length of time to lease-up with the delay due to inspections. Pre-qualifying inspections will allow a decrease in this time and encourage landlords to work with the program.

Vacancy loss and front-end vacancy loss encourage landlords to rent to assisted households by offering a monetary advantage not obtained in the private market.

The AHA currently has a program that pays a flat \$500 to a unit rented to a participant under the Housing Choice Voucher program. This program has obtained about 50 new units during the time it has been implemented. In a jurisdiction that only has less than 900 families leased with landlords other than the AHA or a project-based voucher contract, this is a very successful program. Being able to increase the incentives to one month of contract rent (rather than the \$500 flat rate) could expand the program further.

(3) OTHER LANDLORD INCENTIVES AND INITIATIVES

The AHA has implemented a landlord portal to allow landlords to research HAP payments and to see the status of inspections. The AHA will continue to promote this new tool to landlords. The AHA also moved most landlords to an electronic payment to allow for the landlord to receive a timelier payment. Once HAP is received from HUD, the AHA makes the payment to the landlords immediately for direct deposit payments and mails the checks to other landlords. The AHA has also designated one staff member to provide customer service to all landlords and to answer any questions or problems.

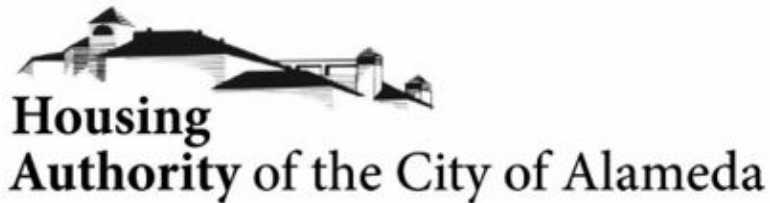
LANDLORD INCENTIVES ACTIVITIES INFORMATION

One item that the AHA may explore to assist with landlord retention is to form a listing of legal referrals for reduced legal costs for evictions with cause. The landlord must participant in mediation and allow the family an opportunity to correct a behavior, but if the participant does not conform to the requirements, the AHA may provide assistance with the termination of the lease and HAP contract for that tenant. The assistance would be contingent on the landlord reviewing and giving serious consideration to all participant applicants.

The AHA would also like to provide landlord assistance for households aging in place or having other stability issues. This is an ongoing crisis in the City of Alameda as many baby-boomer are well into the process of aging in place. The AHA would contract with one or more 3rd parties, including non-profits, to provide assistance to landlords to deal with households that may no longer be able to respond to notices or pay rent timely due to issues with aging.

The AHA would also explore a program to pay for credit checks for applicants or participants looking to rent a unit but hindered by the price of a credit check.

DRAFT



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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Louie So, Director of Finance

Date: May 19, 2021

Re: Accept the Audit Report for Fiscal Year Ending June 30, 2020 and Authorize the Executive Director to Approve and Finalize with Minor Changes

BACKGROUND

The financial statements of the Housing Authority of the City of Alameda for the fiscal year ending June 30, 2020 were prepared in the format prescribed by the requirements of Government Accounting Standards Board Statement 34 (GASB 34).

The audit firm Citrin Cooperman & Company LLP has produced the draft audited financial statements of the Housing Authority of the City of Alameda for the fiscal year ending June 30, 2020. The draft audited financial statements and the list of adjusting journal entries are attached. These draft audited financial statements also incorporates the audited financial statements for AHA's development affiliate Island City Development (ICD), which is presented as a discrete component unit. AHA's nonprofit affiliate, the Alameda Affordable Housing Corporation (AAHC), is a blended component unit with the Housing Authority of the City of Alameda and is not presented separately. The Other Post Employee Benefits (OPEB) Trust is presented separately.

The audit report and related schedules are typically due to HUD by March 31st each year, 9 months after the end of the prior fiscal year. Due to the current health situation, HUD has extended the audit deadline by 3 months through June 30, 2021.

The audit is presented in draft form for the Board of Commissioners' review. Citrin Cooperman & Company LLP's audit partner, J. Michael Stephens, will present to discuss the draft audit report. The Executive Director will approve and finalize minor changes to the audit once the Board of Commissioners provide their acceptance of the audited financial statements. Once finalized, the audited financial statements will be posted on the agency's website.

DISCUSSION

The draft audit opinion showcases that the financial statements present fairly, in all material respects, the financial position of the Housing Authority of the City of Alameda as of June 30, 2020 are in conformity with US Generally Accepted Accounting Principles (US GAAP). The audit report and financial statements includes the Financial



Honorable Chair and
Members of the Board of Commissioners

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May 19, 2021
Page 2 of 2

Data Schedule (FDS) as a supplemental schedule. Once the audited financial statements are approved by the Board, the FDS report is expected to be electronically submitted to HUD shortly after but by the June 30, 2021 deadline.

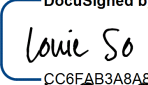
From the Fiscal Year 2017 through Fiscal year 2019 audited financial statements, the auditors have reported that the Housing Authority has had a material weakness in its financial reporting. A material weakness is defined as a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

For the Fiscal Year 2020, the auditors have reported an improvement in financial reporting which is less severe than a material weakness as the deficiency is unlikely to have a material impact on the financial statements. However, this deficiency does merit attention to the Board of Commissioners for oversight of the agency's financial reporting. The deficiency finding is primarily driven by journal entries provided by both Finance staff and audit staff to conform the financial statements to accounting standards.

RECOMMENDATION

Accept the Audit Report for Fiscal Year Ending June 30, 2020 and Authorize the Executive Director to Approve and Finalize with Minor Changes.

Respectfully submitted,

DocuSigned by:

CC6FAB3A8A824DA...
Louie So, CPA
Director of Finance

Attachment(s):

1. Draft Audited Financial Statement Report for Fiscal Year Ending June 30, 2020 including Adjusting Journal Entries Post Year End close
2. Citrin Cooperman Presentation



Attachment 1

**HOUSING AUTHORITY OF THE CITY OF
ALAMEDA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2020

Draft Copy

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
FOR THE YEAR ENDED JUNE 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Housing Authority of the City of Alameda
Alameda, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the fiduciary fund of the Housing Authority of the City of Alameda (the "Authority") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Island City Development, which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Island City Development, is based solely on the report of the other auditors. We did not audit the financial statements of OPEB Trust Fund, which represent 100 percent of the assets, net position, and revenues of the fiduciary fund. These financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for OPEB Trust, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the discretely presented component unit and the fiduciary fund were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and the fiduciary fund of the Housing Authority of the City of Alameda, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, and the pension and OPEB schedules on pages 49 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The financial data schedule on pages 49 through 54 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on page 63 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.



The financial data schedule and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the financial data schedule 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May XX, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 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.

Bethesda, Maryland
May XX, 2021

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REQUIRED SUPPLEMENTARY INFORMATION

Draft Copy

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

This section of the Housing Authority of the City of Alameda's (the "Authority") annual financial report presents a discussion and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we furnished in our presentation to the Board of Commissioners.

The following management's discussion and analysis will discuss the results of the Authority's operations. Key financial information for the current fiscal year will be compared with that of the prior year.

Financial Highlights

- The assets and deferred outflows of the Authority exceeded its liabilities and deferred inflows at the close of fiscal year 2019 resulting in a net position of \$107,445,875 at June 30, 2020, as opposed to \$104,845,868 at June 30, 2019.
- Total assets and deferred outflows of resources at June 30, 2020, were \$142,914,855. Of this, \$32,249,801 represents current assets, \$108,283,988 represents noncurrent assets, and \$2,381,066 represents deferred outflows of resources. Total assets and deferred outflows of resources at June 30, 2019, were \$141,125,057.
- Capital assets, net of accumulated depreciation at June 30, 2020, increased by \$1,187,650 from \$78,069,727 at June 30, 2019, to \$76,882,077 at June 30, 2020. Capital assets are reflected at cost, less accumulated depreciation for all purchased capital assets.
- Total liabilities and deferred inflows of resources at June 30, 2020, were \$35,468,980. Of this, \$4,254,488 represents current liabilities, \$29,612,920 represents noncurrent liabilities, and \$1,601,572 represents deferred inflows of resources. Net position increased from \$104,845,868 at June 30, 2019, to \$107,445,875 at June 30, 2020, an increase of \$2,600,007.
- Total operating and non-operating revenues for the Authority for fiscal year 2020 were \$42,846,677 versus \$76,901,391 for fiscal year 2019; a decrease of \$34,054,714 as the land transfer of the 12 acres of land from the City of Alameda valued at \$36,197,725 in 2019 was a one time event. The primary sources of revenue for 2020 were governmental grants including Housing Choice Voucher Program (Section 8) Housing Assistance Payment ("HAP"), and rents collected from the Authority's owned units. For fiscal year 2020 and 2019, please note that \$7,580,220 and \$6,823,178, respectively, of HAP received from the U.S. Department of Housing and Urban Development ("HUD") to Authority-owned properties is eliminated from financial statement presentation, as these payments are paid to the Authority as landlord for Authority-owned properties.
- Total operating and non-operating expenses for the Authority for fiscal year 2020 were \$40,246,670 versus \$37,887,433 for fiscal year 2019; an increase of \$2,359,237. The major program expenditure, as reflected on the statement of revenues, expenses, and changes in net position, was for HAP. There was \$24,298,568 of HAP expenses for fiscal year 2020 versus \$23,770,961 in fiscal year 2019. For fiscal year 2020 and 2019, please note that \$7,580,220 and \$6,823,178, respectively, of HAP received from HUD and disbursed to landlords is eliminated from financial statement presentation, as these payments are paid to the Authority as landlord for Authority-owned properties.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Financial Highlights (continued)

- Operating revenues for the Authority for fiscal year 2020 were \$42,272,232 and operating expenses were \$39,140,756. Operating revenues and expenses for fiscal year 2019 were \$40,091,906 and \$36,752,757, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements, which are comprised of statements of net position, statements of revenues, expenses, and changes in net position, a statement of cash flows and notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements report information of the Authority as a whole, net of inter-program activity.

The *statement of net position* presents information on the Authority's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of revenues, expenses, and changes in net position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The *statement of cash flows* presents the change in the Authority's cash and cash equivalents during the most recent fiscal year.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some programs are required to be established by HUD. However, the Authority also administers other programs to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other moneys. All of the funds of the Authority are classified on the face of the financial statements as one enterprise housing fund as a result of Government Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

Enterprise funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The focus of enterprise funds is on income measurement, which together with the maintenance of equity, is an important financial indication.

Notes to the Basic Financial Statements

The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Component Unit

As is more fully described in Note 1, the government-wide financial statements include the financial information of Island City Development (a California Nonprofit Corporation), a discrete component unit of the Authority. A complete audited financial statement is separately issued for Island City Development and its subsidiary limited partnerships and limited liability companies, and may be obtained at the Authority's administrative offices located at 701 Atlantic Avenue, Alameda, California. In the fiscal year ended June 30, 2018, the Authority created a new blended component unit, Alameda Affordable Housing Corporation ("AAHC"). The financial statements for AAHC are not presented separately.

Fiduciary Fund

As is more fully described in Note 1, the Authority reports a fiduciary fund for its Other Post Employment Benefits ("OPEB") Trust Fund. The funds are held in a trust by the Authority for the beneficiaries of the OPEB plan.

Supplementary Information

The schedule of expenditures of federal awards, the pension and OPEB schedules, and the financial data schedule are presented for purposes of additional analysis as required by the GASB Statements, the Uniform Guidance at 2 CFR 200 Subpart F, and the requirements of HUD. These schedules can be found in the supplementary information sections of this report.

Financial Analysis

The Authority uses funds to help it control and manage money for particular purposes. A portion of the Authority's net position reflects the investment in capital assets (e.g., land, buildings and improvements, furniture, equipment and machinery), net of any debt incurred to finance the acquisition of those assets. The Authority uses these capital assets to provide services to clients; consequently, these assets are not available for future spending.

Budgetary Highlights

An agency-wide budget was prepared for the fiscal year ended June 30, 2020. The budget was primarily used as a management tool. Budgets are prepared in accordance with the accounting procedures prescribed by the applicable funding agency and revised during the year as appropriate.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Comparative Statements of Net Position

The following table reflects the statement of net position at June 30, 2020, compared to the prior fiscal year. The Authority is engaged only in business-type activities.

**Housing Authority of the City of Alameda
Comparative Statements of Net Position
June 30, 2020 and 2019**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>\$ Variance</u>	<u>% Variance</u>
Current assets	\$ 32,249,801	\$ 34,295,478	\$ (2,045,677)	(5.96)%
Other noncurrent assets	31,401,911	27,254,145	4,147,766	15.22 %
Capital assets, net of accumulated depreciation	<u>76,882,077</u>	<u>78,069,727</u>	<u>(1,187,650)</u>	(1.52)%
Total assets	<u>140,533,789</u>	<u>139,619,350</u>	<u>914,439</u>	0.65 %
Deferred outflow of resources	<u>2,381,066</u>	<u>1,505,707</u>	<u>875,359</u>	58.14 %
Current liabilities	4,254,488	3,911,700	342,788	8.76 %
Noncurrent liabilities	<u>29,612,920</u>	<u>30,466,026</u>	<u>(853,106)</u>	(2.80)%
Total liabilities	<u>33,867,408</u>	<u>34,377,726</u>	<u>(510,318)</u>	(1.48)%
Deferred inflow of resources	<u>1,601,572</u>	<u>1,901,463</u>	<u>(299,891)</u>	15.77 %
Net investment in capital assets	52,213,847	52,324,848	(111,001)	(0.21)%
Restricted	1,232,330	1,594,657	(362,327)	(22.72)%
Unrestricted	<u>53,999,698</u>	<u>50,926,363</u>	<u>3,073,335</u>	6.03 %
Total net position	<u>\$ 107,445,875</u>	<u>\$ 104,845,868</u>	<u>\$ 2,600,007</u>	2.48 %

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Comparative Statements of Revenues, Expenses, and Changes in Net Position

The following table presents the statement of revenues, expenses, and changes in net position for the fiscal year ended June 30, 2020, compared to the prior fiscal year.

**Housing Authority of the City Alameda
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2020 and 2019**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>\$ Variance</u>	<u>% Variance</u>
Operating revenues:				
Grants	\$ 38,028,840	\$ 34,848,883	\$ 3,179,957	9.12 %
Rents	3,784,594	3,889,663	(105,069)	(2.70)%
Others	458,798	1,353,360	(894,562)	(66.10)%
Non-operating revenues:				
Interest income	433,945	611,760	(177,815)	(29.07)%
Gain on insurance proceeds	140,500	-	140,500	100.00 %
Land donation	-	<u>36,197,725</u>	<u>(36,197,725)</u>	100.00 %
Total revenues	<u>42,846,677</u>	<u>76,901,391</u>	<u>(34,054,714)</u>	(44.28)%
Operating expenses:				
Administration	7,921,167	6,774,778	1,146,389	16.92 %
Utilities	1,195,788	1,273,558	(77,770)	(6.11)%
Maintenance	2,386,291	1,861,879	524,412	28.17 %
Protective services	291,941	212,156	79,785	37.61 %
General	619,812	586,683	33,129	5.65 %
Tenant services	641,831	704,647	(62,816)	(8.91)%
Housing assistance payments	24,298,568	23,770,961	527,607	2.22 %
Depreciation	1,785,358	1,568,095	217,263	13.86 %
Non-operating expenses:				
Interest expense	<u>1,105,914</u>	<u>1,134,676</u>	<u>(28,762)</u>	(2.53)%
Total expenses	<u>40,246,670</u>	<u>37,887,433</u>	<u>2,359,237</u>	6.23 %
Change in net position	<u>2,600,007</u>	<u>39,013,958</u>	<u>(36,413,951)</u>	(93.34)%
Net position, beginning	<u>104,845,868</u>	<u>65,831,910</u>	<u>39,013,958</u>	59.26 %
Net position, ending	<u>\$ 107,445,875</u>	<u>\$ 104,845,868</u>	<u>\$ 2,600,007</u>	2.48 %

As noted previously, \$7,580,220 and \$6,823,178 of HAP received from HUD by the Authority and paid to Authority-owned properties is eliminated from financial statement presentation for fiscal years 2020 and 2019, respectively.

Analysis of the Authority's Overall Financial Position and Results of Operations

As indicated in the above comparative statements, the Authority's net position at June 30, 2020, increased by \$2,600,007 from the June 30, 2019.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

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Changes in Capital Assets

The following presents the changes in fixed assets (net of accumulated depreciation) at June 30, 2020, versus the prior fiscal year.

**Housing Authority of the City of Alameda
Changes in Capital Assets
(Net of Accumulated Depreciation)
June 30, 2020 and 2019**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>\$ Variance</u>	<u>% Variance</u>
Land	\$ 58,219,779	\$ 58,219,779	\$ -	- %
Construction in progress	103,890	24,190	79,700	329.47 %
Buildings and improvements	48,248,833	47,807,431	441,402	0.92 %
Equipment	<u>477,444</u>	<u>400,838</u>	<u>76,606</u>	19.11 %
Total capital assets	107,049,946	106,452,238	597,708	0.56 %
Accumulated depreciation	<u>(30,167,869)</u>	<u>(28,382,511)</u>	<u>(1,785,358)</u>	6.29 %
Capital assets, net of accumulated depreciation	<u>\$ 76,882,077</u>	<u>\$ 78,069,727</u>	<u>\$ (1,187,650)</u>	(1.52)%

Additional information pertaining to capital assets is found in Note 3 to the financial statements.

Changes in Long-Term Debt

The following presents the changes in long-term debt at June 30, 2020, versus the prior fiscal year.

**Housing Authority of the City of Alameda
Changes in Long-Term Debt
June 30, 2020 and 2019**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>\$ Variance</u>	<u>% Variance</u>
Notes and bonds payable	<u>\$ 24,668,230</u>	<u>\$ 25,744,879</u>	<u>\$ (1,076,649)</u>	(4.18)%

Additional information pertaining to long-term debt is found in Note 5 to the financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Unfunded Pension Liability

In 2016, \$1,000,000 was made to CalPERS for retirement costs associated with the Authority's pension liability. In May 2020, the Board of Commissioners approved an additional discretionary payment of \$1,000,000 to prefund pension liabilities by June 30, 2020 and directed the Authority's staff to fund the balance of the unfunded pension liability through the soft-fresh start payment mechanism.

Economic Factors

The Authority is primarily dependent upon HUD for the funding of operations. Therefore, the Authority is affected more by the federal budget than by state or local economic conditions. Changes in HUD grants affect the number of households that can be assisted under these federally funded programs on an ongoing basis.

The Authority's annual revenues for the Housing Choice Voucher Program are based primarily upon the amounts received each year from HUD, which does not correlate directly to the amounts expended each year for administrative costs and housing assistance payments expenses associated with the Housing Choice Voucher Program. Therefore, for any given fiscal year the Authority's revenues for the Housing Choice Voucher Program may be more or less than the expenses for the program. For the fiscal year ended June 30, 2020, the Authority's expenses associated with the Housing Choice Voucher Program exceeded its revenues by \$893,997. For the 2019 fiscal year, the Authority's expenses for the Housing Choice Voucher Program exceeded its revenues by \$108,700. These excesses of expenses over revenues were funded by a reduction in the Authority's net position for the Housing Choice Voucher Program.

On March 11, 2020, the World Health Organization declared an outbreak of a strain novel coronavirus a pandemic. As a result, economic uncertainties have arisen which may negatively impact rental operations. Furthermore, during the fiscal year ended June 30, 2020 and after, HUD provided additional funding pursuant to the Coronavirus Aid, Relief, and Economic Security Act.

Requests for Information

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Finance Director at the Housing Authority of the City of Alameda, 701 Atlantic Avenue, Alameda, California 94501.

FINANCIAL STATEMENTS

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**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENTS OF NET POSITION**

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	Primary Government	Component Unit	Fiduciary Fund
	June 30, 2020	December 31, 2019	June 30, 2020
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents - unrestricted	\$ 27,449,884	\$ 1,571,493	\$ -
Cash and cash equivalents - restricted	1,268,773	326,006	-
Cash and cash equivalents - restricted - tenant security deposits	618,887	41,500	-
Investments	-	-	1,236,662
Due from other agencies	2,514,272	-	-
Tenant accounts receivable, net	116,003	-	-
Other accounts receivable, net	4,863	99,819	-
Interest receivable	47,682	-	-
Prepaid expenses and other current assets	<u>229,437</u>	<u>5,827,620</u>	<u>-</u>
Total current assets	<u>32,249,801</u>	<u>7,866,438</u>	<u>1,236,662</u>
Noncurrent assets:			
Notes receivable	31,224,401	-	-
Net OPEB asset	177,510	-	-
Capital assets, net	<u>76,882,077</u>	<u>27,823,398</u>	<u>-</u>
Total noncurrent assets	<u>108,283,988</u>	<u>27,823,398</u>	<u>-</u>
Total assets	<u>140,533,789</u>	<u>35,689,836</u>	<u>1,236,662</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension plan	2,322,160	-	-
OPEB plan	<u>58,906</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>2,381,066</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 142,914,855</u>	<u>\$ 35,689,836</u>	<u>\$ 1,236,662</u>

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENTS OF NET POSITION (CONTINUED)**

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	Primary Government	Component Unit	Fiduciary Fund
	June 30, 2020	December 31, 2019	June 30, 2020
	<u> </u>	<u> </u>	<u> </u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 988,577	\$ 57,917	\$ -
Tenant security deposits	581,499	41,500	-
Other accrued liabilities	321,839	186,232	-
Interest payable	1,075,205	858,796	-
Compensated absences, current portion	187,022	-	-
Notes and bonds payable, current portion	<u>1,100,346</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>4,254,488</u>	<u>1,144,445</u>	<u>-</u>
Noncurrent liabilities:			
Compensated absences, net of current portion	141,357	-	-
FSS escrows	73,831	-	-
Prepaid ground lease	3,317,290	-	-
Prepaid tenant rents	57,833	-	-
Net pension liability	2,454,725	-	-
Notes and bonds payable, net of current portion	<u>23,567,884</u>	<u>20,675,495</u>	<u>-</u>
Total noncurrent liabilities	<u>29,612,920</u>	<u>20,675,495</u>	<u>-</u>
Total liabilities	<u>33,867,408</u>	<u>21,819,940</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension plan	390,639	-	-
OPEB plan	<u>1,210,933</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>1,601,572</u>	<u>-</u>	<u>-</u>
<u>NET POSITION</u>			
Net investment in capital assets	52,213,847	-	-
Restricted	1,232,330	-	-
Unrestricted	<u>53,999,698</u>	<u>13,869,896</u>	<u>1,236,662</u>
Total net position	<u>107,445,875</u>	<u>13,869,896</u>	<u>1,236,662</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 142,914,855</u>	<u>\$ 35,689,836</u>	<u>\$ 1,236,662</u>

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HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED

	Primary Government	Component Unit	Fiduciary Fund
	June 30, 2020	December 31, 2019	June 30, 2020
Operating revenues:			
Grants income	\$ 38,028,840	\$ -	\$ -
Rental income	3,784,594	1,035,412	-
Other operating income	<u>458,798</u>	<u>271,553</u>	<u>-</u>
Total operating revenues	<u>42,272,232</u>	<u>1,306,965</u>	<u>-</u>
Operating expenses:			
Administration	7,921,167	329,616	584
Utilities	1,195,788	31,457	-
Maintenance	2,386,291	93,077	-
Protective services	291,941	-	-
General	619,812	250,553	-
Tenant services	641,831	-	-
Housing assistance payments	24,298,568	-	-
Depreciation	<u>1,785,358</u>	<u>843,528</u>	<u>-</u>
Total operating expenses	<u>39,140,756</u>	<u>1,548,231</u>	<u>584</u>
Operating income (loss)	<u>3,131,476</u>	<u>(241,266)</u>	<u>(584)</u>
Non-operating revenues (expenses):			
Interest income	433,945	-	42,246
Gain on insurance proceeds	140,500	-	-
Equity contributions	-	14,637,897	-
Interest expense	<u>(1,105,914)</u>	<u>(825,648)</u>	<u>-</u>
Net non-operating revenue (expenses)	<u>(531,469)</u>	<u>13,812,249</u>	<u>42,246</u>
Change in net position	2,600,007	13,570,983	41,662
Net position, beginning of year	<u>104,845,868</u>	<u>298,913</u>	<u>1,195,000</u>
NET POSITION, END OF YEAR	<u>\$ 107,445,875</u>	<u>\$ 13,869,896</u>	<u>\$ 1,236,662</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

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	<u>Primary Government</u>
Cash flows from operating activities:	
Grants received	\$ 36,376,788
Cash received from tenants	3,772,379
Other miscellaneous cash receipts	662,670
Cash payments to suppliers and landlords	(29,725,062)
Cash payments to employees	<u>(8,116,331)</u>
Net cash provided by operating activities	<u>2,970,444</u>
Cash flows from capital and related financing activities:	
Interest paid on long-term debt	(1,048,798)
Principal paid on notes payable	(1,076,649)
Acquisition of fixed assets	(607,184)
Gain on sale of capital assets	9,476
Collection of insurance proceeds	<u>140,500</u>
Net cash used in capital and related financing activities	<u>(2,582,655)</u>
Cash flows from investing activities:	
Collection of notes receivable	41,803
Issuance of notes receivable	(4,122,569)
Interest received from investments	<u>487,742</u>
Net cash used in investing activities	<u>(3,593,024)</u>
Net decrease in cash	(3,205,235)
Cash and cash equivalents - beginning	<u>32,542,779</u>
Cash and cash equivalents - end	<u>\$ 29,337,544</u>
Cash reconciliation as reported on the statements of net position:	
Cash and cash equivalents - unrestricted	27,449,884
Cash and cash equivalents - restricted	1,268,773
Cash and cash equivalents - restricted - tenant security deposits	<u>618,887</u>
	<u>\$ 29,337,544</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

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	<u>Primary Government</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 3,131,476
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,785,358
Pension and OPEB expense	(819,717)
<i>(Increase) decrease in assets:</i>	
Due from other agencies	(1,779,345)
Tenant accounts receivable, net	96,947
Other accounts receivable, net	550,426
Prepaid expenses	(91,193)
Inventory	9,810
<i>Increase (decrease) in liabilities:</i>	
Accounts payable	93,735
Accounts payable to other agencies	(26,389)
Tenant security deposits	(104,254)
Accrued liabilities	231,629
Accrued compensated absences	78,519
Prepaid rents and leases	(149,969)
Other noncurrent liabilities	<u>(36,589)</u>
Net cash provided by operating activities	<u>\$ 2,970,444</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Housing Authority of the City of Alameda (the "Authority") conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to governmental entities. The following is a summary of the more significant procedures:

Definition of reporting entity

The Authority was established on August 8, 1940, by a resolution of the City of Alameda City Council. The Authority is governed by a seven-member Board of Commissioners which is appointed by the mayor of the City of Alameda, California (the "City"). However, the Authority is not considered to be a component unit of the City or any other primary government. Two members of the Board of Commissioners are participants in programs administered by the Commission. The members of the Commission are selected to serve for either two-year or four-year terms.

The basic financial statements includes the financial activities of the Authority, its blended component unit, Alameda Affordable Housing Corporation, its discretely presented component unit, Island City Development, and its fiduciary fund, the Other Post Employment Benefits ("OPEB") Trust Fund.

Island City Development (a California nonprofit corporation) was established in 2014 primarily to engage in acquiring, developing, rehabilitating, owning, and managing affordable housing for low-income and moderate-income individuals and families in the City. The executive director of the Authority appoints the members of the nonprofit corporation's board of directors. The nonprofit corporation has a year end of December 31, 2019, and the financial activity is reported as a separate column titled Component Unit on the accompanying financial statements.

Island City Development is the sole member of Del Monte Senior LLC, the 0.01% managing general partner of Sherman and Buena Vista LP, created June 23, 2016, for the purposes of developing and owning a 31-unit Low-Income Housing Tax Credit property at 1031 Buena Vista Avenue in Alameda. This property was completed in August 2018.

Additionally, Island City Development is the sole member of 2437 Eagle Avenue LLC, the 0.01% managing general partner of Everett and Eagle LP, created November 22, 2016, for the purposes of developing and owning a 20-unit Low-Income Housing Tax Credit property at 2437 Eagle Avenue in Alameda. This property was completed in December 2018. Island City Development is the 0.1% special limited partner for Stargell Commons LP, created February 20, 2015, to own and operate a 32-unit Low-Income Housing Tax Credit property at 2700 Bette Street in Alameda.

Finally, Island City Development is the sole member of Rosefield, LLC, the 0.01% managing general partner of Constitution and Eagle, LP, created December 18, 2018, for the purpose of building 78 units and renovation of 14 units (total 92 units) on the 700 block of Buena Vista Avenue. The property started the construction and rehabilitation process in the summer of 2020.

The Authority reports a fiduciary trust fund for its OPEB Trust Fund. The OPEB Trust accounts for the assets that are held in trust by the Authority for the beneficiaries of the OPEB plan.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Definition of reporting entity (continued)

A complete audited financial statement is separately issued for Island City Development and its subsidiary limited partnerships and limited liability companies, and may be obtained at the Authority's administrative offices located at 701 Atlantic Avenue, Alameda, California.

Related Organizations - Blended Component Units - The Authority is the sole member of AHA Islander GP, LLC, which is the 0.05% general partner of Alameda Islander LP. This limited partnership owns and operates a 62-unit Low-Income Housing Tax Credit property at 2428 Central Avenue in Alameda. The accompanying financial statements include the financial information of AHA Islander GP, LLC.

The Authority is the sole member of 2216 Lincoln AHA, LLC, which is the 0.0049% general partner of Jack Capon Villa, LP. This limited partnership owns and operates a 19-unit Low-Income Housing Tax Credit property at 2216 Lincoln Avenue in Alameda. The accompanying financial statements include the financial information of 2216 Lincoln AHA, LLC.

Alameda Affordable Housing Corporation ("AAHC") was established November 1, 2017, as a supporting organization of the Authority. Its primary role is to be a title holding entity for Authority-owned properties. AAHC received federal tax exempt status under Section 501(c)3 in 2017. The board of directors is comprised of all of the current Authority's Board of Commissioners and the directors' terms run concurrent with the commissioners'. AAHC has a fiscal year end on June 30 and the financial activity is not reported separately on the financial statements. During 2018, the Authority sold four of its properties to AAHC and both notes receivable and notes payable were created between the two parties. During 2020, the Authority sold an additional property, Independence Plaza, to AAHC. As these notes were between a primary government and its blended component unit, these notes were eliminated from the financial statements.

Government-wide financial statements

The government-wide financial statements (i.e., the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows) report the financial information of the Authority's operations as a whole.

For financial reporting purposes, the Authority reports all of its operations as a single business-type activity in a single enterprise housing fund. Therefore, for the Authority the government-wide and fund financial statements are the same. These basic financial statements are presented in accordance with the standards established by the Governmental Accounting Standards Board ("GASB").

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis* of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when related cash flows take place. Non-exchange transactions are those in which the Authority receives value without directly giving equal value in exchange. These transactions include revenues from federal, state, and local assistance programs. Revenues from these sources are recognized in the fiscal year in which all eligibility requirements have been met.

When the Authority incurs an expense for which both restricted and unrestricted resources may be used, it is the Authority's policy to use restricted resources first, and then unrestricted resources as needed.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* activities. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise housing fund are grants from federal funding agencies for housing assistance payments earned, administrative and developer fees, and rental income from its owned housing units. The Authority is party to services agreements with the City to provide various housing-related services. The cost of these services is reimbursed on an actual cost basis, plus a fixed fee.

Operating expenses include employee services and supplies, administrative expenses, management fees, utilities, housing assistance payments to landlords, and depreciation of its capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Authority applies all applicable Financial Accounting Standards Board ("FASB") pronouncements issued before November 30, 1989, in accounting and reporting for its proprietary operations.

Separate statements are also included in the discretely presented component unit and the fiduciary fund as shown on the accompanying financial statements. The discretely presented component unit and the fiduciary fund are separate legal entities from the Authority.

Cash and cash equivalents

For purposes of the accompanying statement of cash flows, all highly liquid cash and investments with a maturity of three months or less when purchased and cash restricted by federal governmental requirements are considered cash and cash equivalents.

Cash and cash equivalents include amounts in demand deposits and savings accounts. All of the Authority's cash equivalents can be converted to cash in a relatively short amount of time. Therefore, all cash and cash equivalents, including restricted amounts, are reported in the statement of cash flows.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted assets

Restricted cash and cash equivalents represent deposits that are used for replacement reserves, security deposit payable amounts to tenants and amounts that are required by grants from the U.S. Department of Housing and Urban Development ("HUD") to be used only to provide housing assistance for individuals and families that meet various income, age, and employment standards.

Receivables, net

All receivables are reported at their gross value and are reduced by an allowance for doubtful accounts if such an amount is considered applicable based on management's estimates for collection.

Prepaid expenses and other current assets

All inventories are valued at cost using the first-in/first-out method. Inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Capital assets

Capital assets, which include land, buildings, improvements, and furniture and equipment, are reported at historical cost. Contributed capital assets are recorded at fair value at the time received. Interest expense during any development periods is capitalized.

Maintenance, minor repairs and replacements are recorded as expenses; extraordinary replacements of property resulting in property betterments are charged to the property accounts. Depreciation is charged to operations using the straight-line method based on the estimated useful life of the related asset. The estimated useful lives of the various asset categories are as follows:

Buildings	40 years
Improvements	15 years
Furniture and equipment	5 to 10 years

Compensated absences

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred or at separation. Unpaid sick balances are not paid at separation.

Unearned Revenue

Total unearned revenue of \$3,375,123 consists of a prepaid ground lease of \$3,317,290 and prepaid tenant rents of \$57,833 as of June 30, 2020. See additional information on ground lease in Note 10.

Taxes

The Authority is exempt from federal and state income taxes, and county property taxes. AAHC has received federal tax-exempt status under Internal Revenue Code

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Section 501(c). AAHC must file IRS Form 990 and its California equivalent no later than the extended deadline of May 2021 for the fiscal year ended June 30, 2020.

Net position

Net position represents the differences between assets and liabilities. Net position consists of investment in capital assets, net of related debt; restricted net position; and unrestricted net position. Net position invested in capital assets, net of related debt, consists of capital assets, net of depreciation, reduced by the outstanding balances of borrowing used for the construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Deferred outflows/inflows of resources

In addition to assets and liabilities, the statement of net position includes separate sections for deferred outflows and inflows of resources. These separate sections represent a consumption or acquisition of net position that applies to future periods and will not be recognized as outflows (revenues) or inflows (expenses) until that time.

Net pension liability/net OPEB asset

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

GASB pronouncements not yet effective

In June 2017, GASB issued Statement No. 87, *Leases* ("GASB No. 87"). The objective of GASB No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB No. 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB No. 87 will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. GASB No. 87 also will enhance the decision-usefulness of the information provided to financial statement users by

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB pronouncements not yet effective (continued)

requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements.

The requirements of GASB No. 87 are effective for reporting periods beginning after December 15, 2021. The Authority does not believe that there will be any financial statement effect related to GASB No. 87.

Estimates

Management of the Authority has made certain estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses to prepare the financial statements. Actual results may differ from those estimates.

Eliminations

The following inter-program balances have been eliminated as of June 30, 2020:

Due From

Housing Choice Vouchers	\$ 153,818
Family Self-Sufficiency	25,331
Mod Rehab SRO	1,699
Shelter Plus Care	6
State and Local	50,392,856
AAHC - Blended Component Unit	<u>3,710</u>
	<u>\$ 50,577,420</u>

Due To

Housing Choice Vouchers	\$ 2,791,541
Family Self-Sufficiency	58,911
Shelter Plus Care	126,413
State and Local	275,555
AAHC - Blended Component Unit	<u>47,325,000</u>
Net capital assets	<u>\$ 50,577,420</u>

Budgets and budgetary accounting

Each year the Authority's Board of Commissioners adopts an operating budget. This budget may be revised during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of the adoption of the annual budget.

NOTE 2. CASH AND CASH EQUIVALENTS

Policies

California law requires banks and savings loan institutions to pledge government securities with a market value of 110% of the Authority's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California law, this collateral is held in a separate investment pool by another institution in the Authority's name and places the Authority ahead of general creditors of the institution.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

Policies (continued)

The Authority and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable securities instruments, or by electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the Authority employs the trust department of a bank as the custodian of certain managed investments, regardless of their form.

The Authority's cash equivalents are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of cash equivalents to reflect their fair value at each fiscal year end, and it includes the effects of those adjustments in income for that fiscal year.

Cash and cash equivalents are considered to be liquid assets with original maturities of 90 days or less for purposes of measuring cash flows.

Classification

Cash and cash equivalents are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of Authority debt instruments or agency agreements. Cash and cash equivalents as of June 30, 2020, are as follows:

Unrestricted	\$ 27,449,884
Restricted	<u>1,887,660</u>
Total cash and cash equivalents	<u>\$ 29,337,544</u>

The bank balance of cash and cash equivalents consists of \$9,170,656 maintained on deposit in two banks, \$1,194,942 maintained by loan servicing agencies, \$11,547,032 deposited in the State of California Local Agency Investment Fund ("LAIF"), \$7,479,028 deposited in the California Asset Management Program ("CAMP"), and \$700 in petty cash. Of the amounts on deposit with banks, \$500,000 is covered by federal deposit insurance. The remaining balance of \$8,670,656 is collateralized by governmental securities with a market value of 110% of the deposit or with first deed mortgages with a value of 150% of the uninsured amount.

The \$1,194,942 of cash equivalents maintained by loan servicing agencies reflects amounts held by trust departments of two lending agencies. These amounts will be used for future rehabilitation and operating costs for some of the Authority's housing complexes.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

Investments authorized by the California Government Code and the Authority's investment policy

The Authority's investment policy and the California Government Code allow the Authority to invest in the following, provided rating of the issuers are acceptable to the Authority; and approved percentages and maturities are not exceeded. Each January, the Board of Commissioners approves the Authority's Investment Policy. The table below also identifies certain provisions of the California Government Code or the Authority's Investment Policy where the Authority's Investment Policy is more restrictive.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Repurchase Agreements	N/A	N/A	N/A	N/A
LAIF	On Demand	N/A	N/A	N/A
U.S. Treasury Bonds, Notes and Bills	N/A	N/A	N/A	N/A
U.S. Agency and U.S. Government Bankers Acceptances	N/A	N/A	N/A	N/A
Negotiable Certificates of Deposit	180 Days	N/A	40%	30%
Time Certificates of Deposit	N/A	A	30%	N/A
Medium Term Corporate Notes	N/A	N/A	30%	N/A
Money Market Mutual Funds	5 Years	A	30%	N/A
County Agency Investment Fund	N/A	AAA	15%	10%
Reverse Repurchase Agreement	On Demand	N/A	30%	N/A
	N/A	N/A	20%	N/A

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

Investments authorized by debt agreements and governmental grants

The Authority must maintain required amounts of cash and investments at fiscal agents under terms of certain debt issues and governmental grants. These funds are unexpended bond proceeds or are pledged as reserves to be used if the Authority fails to meet its obligations under these debt issuances or governmental grants. The California Government Code requires these funds to be invested in accordance with Authority policies, bond indentures or state statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Quality Credit</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
<u>For U.S. Department of Housing and Urban Development Funds</u>				
LAIF	No Limit	N/A	No Limit	No Limit
Repurchase Agreements	N/A	N/A	No Limit	No Limit
U.S. Government Obligations and Agencies	No Limit	N/A	No Limit	No Limit
Sweep Account	No Limit	N/A	No Limit	No Limit
Insured Super NOW Accounts	No Limit	N/A	No Limit	No Limit
Insured Money Market Deposit	No Limit	N/A	No Limit	No Limit
Negotiable Certificates of Deposit	No Limit	N/A	30%	No Limit
Insured Demand and Saving Deposits	N/A	N/A	No Limit	No Limit
STRIPS, Principal Only	No Limit	N/A	No Limit	No Limit
Money Market Mutual Funds	N/A	AAA	20%	No Limit
U.S. Treasury Bills, Notes and Bonds	No Limit	N/A	No Limit	No Limit
<u>For Non-U.S. Department of Housing and Urban Development Funds</u>				
Prime Commercial Paper	180 Days	N/A	10%	30%
City of Alameda Bonds	N/A	N/A	No Limit	No Limit
U.S. Treasury Bills, Notes and Bonds	No Limit	N/A	No Limit	No Limit
Local Agency's Obligations within CA State, including LAIF	No Limit	N/A	No Limit	No Limit
U.S. Government Obligations and Agencies	No Limit	N/A	No Limit	No Limit
Collateralized Bank Deposit	No Limit	N/A	No Limit	No Limit
Bankers Acceptances	180 Days	N/A	40%	30%
Negotiable Certificates of Deposit	No Limit	N/A	30%	No Limit
Repurchase Agreements	92 Days	N/A	20%	No Limit
Money Market Mutual Funds	N/A	N/A	15%	10%
Trust Indentures	N/A	N/A	No Limit	No Limit
Medium Term Notes	5 Years	A	30%	No Limit
Mortgage and Equipment Lease Obligations	5 Years	AA	20%	No Limit

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Authority's investments (including investments held by bond trustees) to market rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

<u>Cash Equivalent Type</u>	<u>12 Months or Less</u>	<u>One to Five Years</u>	<u>More than Five Years</u>	<u>Total</u>
LAIF	\$ 11,547,032	\$ -	\$ -	\$ 11,547,032
CAMP	<u>7,479,028</u>	<u>-</u>	<u>-</u>	<u>7,479,028</u>
Total cash equivalents	<u>\$ 19,026,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,026,060</u>

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2020, for each Authority cash equivalent type as provided by Standard and Poor's, except as noted:

<u>Cash Equivalent Type</u>	<u>Amount</u>
Not Rated:	
LAIF	\$11,547,032
CAMP	\$7,479,028

Concentration of credit risk

The Authority is required to disclose investments that represent a concentration of five percent or more of investments in any issuer, held by individual Authority Funds in the securities of issuers other than U.S. Treasury securities, mutual funds and external investment pools. At June 30, 2020, there were no investments of this type.

Custodial credit risk

Custodial credit risk is the risk that in the event of a bank or brokerage failure, the Authority's deposits may not be returned. As previously stated, the Authority's bank deposits are either covered by Federal Deposit Insurance Corporation ("FDIC") insurance or are collateralized.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3. CAPITAL ASSETSPrimary government

The following is a summary of the Authority's changes in capital assets for the fiscal year ended June 30, 2020:

	Balance 6/30/2019	Additions	Deletions	Balance 6/30/2020
Non-depreciable assets:				
Land	\$ 58,219,779	\$ -	\$ -	\$ 58,219,779
Construction in progress	24,190	89,176	(9,476)	103,890
Total non-depreciable assets	<u>58,243,969</u>	<u>89,176</u>	<u>(9,476)</u>	<u>58,323,669</u>
Depreciable assets:				
Buildings and improvements	47,807,431	441,402	-	48,248,833
Equipment	400,838	76,606	-	477,444
Total depreciable assets	48,208,269	518,008	-	48,726,277
Accumulated depreciation	(28,382,511)	(1,785,358)	-	(30,167,869)
Net depreciable assets	<u>19,825,758</u>	<u>\$ (1,267,350)</u>	<u>\$ -</u>	<u>18,558,408</u>
Total capital assets, net	<u>\$ 78,069,727</u>			<u>\$ 76,882,077</u>

Discretely presented component unit

The following is a summary of the discretely presented component unit's capital assets as of December 31, 2019:

Land improvements	\$ 2,170,596
Building and improvements	26,161,709
Furniture and equipment	<u>512,067</u>
Gross capital assets	28,844,372
Less: accumulated depreciation	<u>(1,020,974)</u>
Net capital assets	<u>\$ 27,823,398</u>

NOTE 4. NOTES RECEIVABLE

At June 30, 2020, the Authority's notes receivable balance was \$31,224,401. There is no interest accrued on any of the notes receivable due to the uncertainty of collection based on the varying terms of the notes, which include no provision for interest, deferral of payments, and future value determinations of the properties. Interest income will be recorded by the Authority as received.

Related-party loans from the Authority and AAHC have been eliminated, as the Authority is a primary government and AAHC is its blended component unit.

The Authority had the following notes receivable outstanding at June 30, 2020:

Notes receivable - other

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4. NOTES RECEIVABLE (CONTINUED)

Effective January 5, 2004, Resources for Community Development ("RCD") entered into a promissory note with the Authority for an amount not to exceed \$2,015,000 for the Breakers at Bayport property located at 459 Neptune Gardens Avenue. This loan was assigned to the Breakers at Bayport LP on October 14, 2004. This loan accrues no interest. Payments shall be deferred until January 5, 2059. The outstanding balance on the note at June 30, 2020, was \$1,408,790.

Effective March 9, 2007, [Name Redacted] and [Name Redacted] entered into a promissory note with the City (and therefore the Successor Agency per the Recognized Obligation Payment Schedule ("ROPS")) for \$23,600 for the property at 338 Ansel Avenue. On April 30, 2019, [Name Redacted] and [Name Redacted] entered into the First Amendment to Promissory Note, which removed the balloon payment set for March 9, 2021. The amendment also contained a provision to change the potential amount of interest owed to be the lesser of 5% simple interest or shared appreciation. If the principal amount is paid after March 9, 2011, the borrower must also pay a share of the appreciation of the property, as calculated in the note. The outstanding balance on the note at June 30, 2020, was \$23,600.

Effective December 18, 2007, [Name Redacted] entered into a promissory note with the City (and therefore the Successor Agency per ROPS) for \$31,800 for the property at 2 Bertero Court. On March 13, 2019, [Name Redacted] [Name Redacted] entered into the First Amendment to Promissory Note, which removed the balloon payment set for December 18, 2022. The amendment also contained a provision to change the potential amount of interest owed to be the lesser of 5% simple interest or shared appreciation. If the principal amount is paid after December 19, 2012, the borrower must also pay a share of the appreciation of the property, as calculated in the note. The outstanding balance of the note at June 30, 2020, was \$31,800.

Effective January 23, 2008, [Name Redacted] entered into a promissory note with the City (and therefore the Successor Agency per ROPS) for \$31,800 for the property at 101 Kingfisher Avenue. A balloon payment is due on January 23, 2023. If the principal amount is paid after January 23, 2013, the borrower must also pay a share of the appreciation of the property, as calculated in the note. The outstanding balance on the note at June 30, 2020, was \$31,800.

Effective March 24, 2008, RCD entered into a promissory note with the Community Improvement Commission of the City (and therefore the Successor Agency per ROPS) for an amount not to exceed \$4,000,000 for the Shinsei Gardens property, located at 401 Willie Stargell Avenue. The loan was assigned to Shinsei Gardens Apartments LP on March 24, 2008, and was modified on March 24, 2008, and modified again on May 14, 2010. This loan accrues no interest. Payments shall be deferred until March 23, 2063. The outstanding balance on the note at June 30, 2020, was \$1,352,316.

Effective September 27, 2011, Alameda Islander LP entered into a promissory note with the Community Improvement Commission of the City of Alameda (and therefore the Successor Agency per ROPS) for \$8,600,000 for the Park Alameda property located at 2428 Central Avenue. This loan accrues no interest. Payments shall be deferred until September 27, 2068. The outstanding balance on the note at June 30, 2020, was \$8,600,000.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4. NOTES RECEIVABLE (CONTINUED)

Effective January 11, 2013, Jack Capon Villa LP entered into a promissory note with the Authority for the amount of \$225,000 for the Jack Capon Villa property located at 2216 Lincoln Avenue. Interest accrues at 5% per annum. Monthly installments of \$2,386 (principal and interest) are due based on a 10-year amortization schedule. The entire unpaid principal and interest shall be due and payable on April 1, 2024. The outstanding balance on the note at June 30, 2020, was \$113,105.

Effective January 11, 2013, Jack Capon Villa LP entered into an amended and restated promissory note with the Authority for an amount not to exceed \$1,400,000 for the Jack Capon Villa property located at 2216 Lincoln Avenue. Simple interest accrues at 3% per annum. Payments shall be deferred until January 17, 2068. The outstanding balance on the note at June 30, 2020, was \$1,400,000.

Effective January 11, 2013, Jack Capon Villa LP entered into a promissory note with the Authority for the amount of \$200,000 for the Jack Capon Villa property located at 2216 Lincoln Avenue. Simple interest accrues at 3% per annum. Principal and interest shall be due and payable on January 13, 2070. The outstanding balance on the note at June 30, 2020, was \$201,067.

Effective April 16, 2013, Name Redacted entered into a promissory note with the Authority for the amount of \$4,148 for the Regent Street property located at 1129-1131 Regent Street. The loan accrues no interest. The principal is due and payable on demand, on sale of the property, or when the property is no longer the primary residence of the borrower. The outstanding balance on the note at June 30, 2020, was \$2,248.

Effective June 10, 2013, Name Redacted entered into a promissory note with the Authority for the amount of \$4,148 for the Regent Street property located at 1129-1131 Regent Street. The loan accrues no interest. The principal is due and payable on demand, on sale of the property, or when the property is no longer the primary residence of the borrower. The outstanding balance on the note was paid off in full during 2020.

Effective August 1, 2013, Name Redacted entered into a promissory note with the Authority for the amount of \$7,676, for the Regent Street property located at 1129-1131 Regent Street. The loan accrues no interest. The principal is due and payable on demand, on sale of the property, or when the property is no longer the primary residence of the borrower. The outstanding balance on the note at June 30, 2020, was \$7,676.

Effective November 24, 2015, Stargell Commons LP entered into a loan agreement with the Authority for the amount of \$2,000,000 for the Stargell Commons property, located at 2700 Bette Street. The loan bears simple interest at 3% per annum. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 2, 2072. The outstanding balance on the note at June 30, 2020, was \$2,000,000.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4. NOTES RECEIVABLE (CONTINUED)

Effective December 1, 2016, Sherman and Buena Vista LP entered into a loan agreement with the Authority for the amount of \$3,600,000 for the Del Monte Senior property at 1301 Buena Vista Avenue. The loan bears interest at 2.26% compounded annually. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 31, 2073. The outstanding balance on the note at June 30, 2020, was \$3,600,000.

Effective December 1, 2016, Sherman and Buena Vista LP entered into a loan agreement with the Authority for the amount of \$3,410,000 for the Del Monte Senior property at 1301 Buena Vista Avenue. The loan bears interest at 2.26% compounded annually. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 31, 2073. The outstanding balance on the note at June 30, 2020, was \$3,410,000. See related ground lease in Note 10.

Effective November 1, 2019, MidPen Housing Corporation entered into a promissory note with the Authority for the amount of \$92,569. The note accrued simple interest at 3% annually beginning on November 1, 2021. The entire amount of outstanding principal and accrued interest is due and payable on November 1, 2024. The outstanding balance on the note at June 30, 2020, was \$92,569.

Notes receivable - discretely presented component unit

The Authority has the following notes receivable outstanding with Island City Development at June 30, 2020:

Effective February 10, 2016, Island City Development entered into a promissory note with the Authority for the amount of \$1,000,000 for the Rosefield project, located on the 700 block of Buena Vista Avenue. During 2019, Island City Development entered into an amended note, increasing the note to \$2,000,000. During 2020, Island City Development entered into an amended note, increasing the note to \$2,500,000. The note accrues simple interest at 3% per annum beginning January 1, 2021. The principal and interest are due and payable on December 31, 2026. The outstanding balance on the note at June 30, 2020, was \$2,246,930.

Effective June 21, 2017, Everett and Eagle LP entered into a promissory note with the Authority for the amount of \$4,250,000 for the 2437 Eagle Avenue property. The note accrues interest at 2.68% compounded annually. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 31, 2074. The outstanding balance on the note at June 30, 2020, was \$2,872,500.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4. NOTES RECEIVABLE (CONTINUED)

Effective October 23, 2017, Island City Development entered into a promissory note with the Authority for the amount of \$3,700,000 for the North Housing Project. The note accrues simple interest at 3% annually beginning on January 1, 2022. The entire amount of outstanding principal and accrued interest is due and payable on December 31, 2074. During 2020, Island City Development entered into an amended note, increasing the note to \$3,830,000. The outstanding balance on the note at June 30, 2020, was \$3,830,000.

The Authority had the following notes receivable outstanding at June 30, 2020:

	<u>Amount</u>
Notes receivable - other	\$ 16,137,471
Notes receivable - ICD	<u>15,086,930</u>
	<u>\$ 31,224,401</u>

NOTE 5. LONG-TERM DEBTPrimary government

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

	<u>Balance</u> <u>6/30/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2020</u>	<u>Current</u> <u>Portion</u>
Bonds payable:					
PNC Bank	\$ 4,976,154	\$ -	\$ (196,186)	\$ 4,779,968	\$ 207,182
Notes payable:					
NorthMarq Capital	13,256,243	-	(247,748)	13,008,495	262,061
NorthMarq Capital	4,827,442	-	(606,420)	4,221,022	629,555
City of Alameda	1,742,389	-	(44)	1,742,345	1,548
County of Alameda	<u>942,650</u>	<u>-</u>	<u>(26,250)</u>	<u>916,400</u>	<u>-</u>
	<u>\$ 25,744,878</u>	<u>\$ -</u>	<u>\$(1,076,648)</u>	<u>\$ 24,668,230</u>	<u>\$ 1,100,346</u>

As previously discussed, related party loans from the Authority and AAHC have been eliminated, as the Authority is a primary government and AAHC is its blended component unit.

The following is a schedule of debt payment requirements to maturity:

<u>Year Ending June 30:</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total Payments</u>
2021	\$ 1,100,346	\$ 974,079	\$ 2,074,425
2022	1,151,939	934,996	2,086,935
2023	1,206,065	897,553	2,103,618
2024	1,262,854	853,804	2,116,658
2025	1,322,443	756,300	2,078,743
Thereafter	<u>18,624,583</u>	<u>10,770,073</u>	<u>29,394,656</u>
	<u>\$ 24,668,230</u>	<u>\$ 15,186,805</u>	<u>\$ 39,855,035</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5. LONG-TERM DEBT (CONTINUED)

A description of the debt recorded at June 30, 2020, with the Authority is as follows:

Bonds payable

A deed of trust bond payable was issued on May 1, 2005, totaling \$6,800,000 for the Parrot Village and Eagle Village Apartments. The bonds payable are administered by PNC Bank. The bonds accrue interest at a variable rate based upon the weekly short-term bond interest rate. The bonds require annual payments in the amounts necessary to pay all principal of premium, if any, and interest on the bonds as they become due. The bonds mature May 15, 2035. The outstanding balance on the bonds payable totaled \$4,779,968 at June 30, 2020.

Notes payable

The Authority assumed a loan, originally entered into by the Filipino American Community Services Agency on July 9, 1996, payable to the County of Alameda on September 8, 2009, for the Lincoln House property at 745 Lincoln Avenue in the amount of \$35,000. This note bears no interest. However, if this note is not paid when due, the note will bear interest at 7% per annum for each day the note is not paid in full. The note is payable upon sale or transfer of the property whose deed of trust secures the note. The outstanding balance on this loan was paid off during 2020.

A promissory note agreement for \$235,900 was entered into with the City on July 15, 1996, for three condominiums at the following addresses: 2137 Otis Drive, 2209 Otis Drive, 1825 Shoreline Drive. This note bears no interest. Payment on this note was deferred until December 31, 2006, at which time semi-annual payments of principal are due based on an amortization schedule. The principal is due and payable on December 31, 2055. The outstanding balance on this note as of June 30, 2020, was \$218,645.

A promissory note agreement for \$282,700 was entered into with the City on July 26, 1996, for four condominiums at the following addresses: 955 Shorepoint Court and 965 Shorepoint Court. This note bears no interest. Payment on this note is deferred until December 31, 2026, at which time semi-annual payments of principal are due based on an amortization schedule. The principal is due and payable on December 31, 2055. The outstanding balance on this note as of June 30, 2020, was \$282,700.

A promissory note agreement for \$570,000 was entered into with the City on June 18, 1998, for the China Clipper property at 460 Buena Vista Avenue. This note bears interest at 3% per annum. Both interest and principal payments on this loan are deferred until the note's due date of June 30, 2057. The outstanding balance on this note at June 30, 2020, was \$570,000.

A promissory note agreement for \$380,000 was entered into with the County of Alameda on September 1, 2009, for the Lincoln House property at 745 Lincoln Avenue. The note bears simple interest at 3% per annum. The principal and accrued interest are due and payable on July 30, 2067. Principal and interest are payable annually throughout the term of the loan through Residual Receipts as defined in the note. The outstanding balance on this note at June 30, 2020, was \$380,000.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5. LONG-TERM DEBT (CONTINUED)

Notes payable (continued)

A promissory note agreement for \$536,400 was entered into with the County of Alameda on September 1, 2009, for the 1917 Sherman Street property. The note bears simple interest at 3% per annum. The principal and accrued interest are due and payable on July 30, 2067. Principal and interest are payable annually throughout the term of the loan through Residual Receipts as defined in the note. The outstanding balance on this note at June 30, 2020, was \$536,400.

A promissory note agreement for \$96,000 was entered into with the City on November 21, 2013, for the Anne B. Diament property at 920 Park Street. The note bears no interest. The principal is deferred and forgivable until November 22, 2028. The outstanding balance on this note at June 30, 2020, was \$96,000.

On June 30, 2014, the Authority entered into a mortgage note totaling \$14,291,000 with Amerisphere Multifamily Finance, LLC. The mortgage is serviced by NorthMarq Capital. The note is secured by the property referred to as the Esperanza Apartments at 1903 Third Street. The note bears interest at 5.63% per annum and requires combined monthly principal and interest payments totaling \$82,312. The note matures and is payable in full on July 1, 2044. The outstanding balance on the note at June 30, 2020, was \$13,008,496.

On June 30, 2014, the Authority entered into a mortgage note totaling \$7,500,000 with Amerisphere Multifamily Finance, LLC. The mortgage is serviced by NorthMarq Capital. The note is secured by the property referred to as the Independence Plaza at 703 Atlantic Avenue. The note bears interest at 3.75% per annum and requires combined monthly principal and interest payments totaling \$64,758. The note matures and is payable in full on July 1, 2026. The outstanding balance on the note at June 30, 2020, was \$4,221,021.

A first amendment to a promissory note agreement for \$575,000 was entered into with the City on April 1, 2017, retroactive to March 30, 2016, for property located at 738 Eagle Avenue, Alameda, CA. This note bears simple interest at 2.33% per annum. The principal, together with accrued interest, are due and payable on April 1, 2074, and the loan can be forgiven on March 30, 2031. The outstanding balance on this note at June 30, 2020, was \$575,000.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5. LONG-TERM DEBT (CONTINUED)

Discretely presented component unit

The following is a summary of term debt for the year ended December 31, 2019:

AHA Rosefield loan	\$ 2,000,000
AHA North Housing loan	700,000
Compass Bank	2,348,793
City of Alameda	195,740
AHA	3,600,000
AHA	3,410,000
JPMorgan Chase Bank, N.A.	3,320,768
City of Alameda	153,282
AHA	4,250,000
County of Alameda	<u>950,000</u>
Total notes payable	20,928,583
Less: unamortized debt issuance costs	<u>(253,088)</u>
Total notes payable, net	<u>\$ 20,675,495</u>

AHA Rosefield loan: Unsecured promissory note payable to AHA for the purpose of funding preacquisition efforts of a project known as Rosefield Village in the original loan amount of \$1,000,000, with interest accruing at a rate of 3.00% commencing January 1, 2018. During 2019, the loan agreement was amended, increasing the maximum loan to \$2,000,000 with interest accruing at 3.00% retroactively commencing January 1, 2021. All unpaid principal and interest is due December 31, 2026.

AHA North Housing loan: Unsecured promissory note payable to AHA for the purpose of funding preacquisition efforts of a project known as North Housing in the original loan amount of \$300,000, with interest accruing at a rate of 3.00% commencing January 1, 2024. During 2018, the loan agreement was amended to a maximum amount of \$3,700,000. All unpaid principal and interest is due December 31, 2074.

Note payable to Compass Bank, an Alabama banking corporation, provides construction financing in the maximum amount of \$10,322,328. The note is secured by a construction and permanent leasehold deed of trust with absolute assignment of leases and rents, security agreement and fixture filing. The note provides for interest only payments based on one-month LIBOR plus 1.80% per annum through the conversion date. The interest rate was 4.15% at December 31, 2018. In February 2019, the construction loan was partially paid off with the Limited Partner's capital contributions, with the remaining balance converted into a permanent loan of \$2,429,400 with California Community Reinvestment Corporation ("CCRC"). The Partnership entered into a promissory note agreement with CCRC for the permanent loan, with an interest rate of 5.39%, which requires monthly payments of principal and interest, and matures on March 1, 2034.

Note payable to the City of Alameda, secured by a subordinate deed of trust, borrowings up to \$195,740, simple interest at 3.00% per annum, payable from Residual Receipts and unpaid principal and interest are due on April 1, 2073.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5. LONG-TERM DEBT (CONTINUED)

Discretely presented component unit (continued)

Note payable to AHA, in the original amount of \$3,600,000, secured by a leasehold deed of trust, assignment of rents, and security agreement, interest at 2.26%, compounded annually; principal and interest payable annually from Residual Receipts; as defined, unpaid principal and interest are due December 31, 2073.

Note payable to AHA, in the original amount of \$3,410,000, secured by a leasehold deed of trust, assignment of rents, and security agreement, interest at 2.26%, compounded annually; principal and interest payable annually from Residual Receipts; unpaid principal and interest are due December 31, 2073.

Note payable to JPMorgan Chase Bank, N.A., a national banking association, provides construction financing in the maximum amount of \$9,858,528. The note is secured by a construction and deed of trust, assignment of rents, security agreement and fixture filing. The note provides for interest-only payments based on adjusted one-month LIBOR plus 1.85% per annum through the conversion date (4.35% as if December 31, 2018). In July 2019, the construction loan was partially repaid and concurrently converted to a \$3,330,168 permanent loan that bears interest of 5.55% that requires monthly payments of principal and interest of \$17,993. The note matures on September 21, 2039.

Note payable to the City of Alameda, secured by a subordinated leasehold deed of trust, assignment of rents, security agreement and fixture filing, borrowings up to \$153,282, simple interest at 3.00%, payable from residual receipts; unpaid principal and interest are due on December 31, 2074.

Note payable to the City of Alameda, secured by a subordinated leasehold deed of trust, assignment of rents, security agreement and fixture filing, borrowings up to \$153,282, simple interest at 3.00%, payable from residual receipts; unpaid principal and interest are due on December 31, 2074.

Note payable to AHA, in the original amount of \$4,250,000 secured by a leasehold deed of trust, assignment of rents, and security agreement and fixture filing, interest at 2.68%, compounded annually; principal and interest payable annually from residual receipts; unpaid principal and interest are due December 31, 2074.

Note payable to County of Alameda (County Loan), in the maximum amount of \$1,000,000, secured by a subordinated leasehold deed of trust, assignment of rents, security agreement and fixture filing, simple interest at 3.00%, payable from Residual Receipts and unpaid principal and interest are due on December 31, 2074.

Principal payments on notes payable are required as follows:

<u>Year Ending December 31:</u>	<u>Amount</u>
2020	\$ 141,947
2021	150,396
2022	158,784
2023	167,640
2024	176,478
Thereafter	<u>20,133,338</u>
	<u>\$ 20,928,583</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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NOTE 6. COMPENSATED ABSENCES

It is the Authority's policy to permit employees to accumulate earned but unused vacation leave up to a maximum of their annual accrual rate plus 10 days, up to a maximum of 250 hours at any time. This leave will be used in future periods or paid to employees upon separation from the Authority. Accrued vacation leave has been valued by the Authority and has been recorded as current compensated absences of \$187,022 and noncurrent compensated absences of \$141,357 for a total of \$328,379 as of June 30, 2020.

It is the Authority's policy to permit employees to accumulate earned but unused sick leave; however, the value of unused sick leave is not payable upon separation from the Authority.

A summary of the changes in the Authority's accrued compensated absences is as follows:

	<u>Balance</u> <u>6/30/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2020</u>	<u>Due Within</u> <u>One Year</u>
Compensated absences	\$ <u>249,860</u>	\$ <u>78,519</u>	\$ <u>-</u>	\$ <u>328,379</u>	\$ <u>187,022</u>

NOTE 7. PENSION PLAN

Plan Description - The plan is a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS. A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes and membership information, is listed in the June 30, 2018 Annual Actuarial Valuation Report. This report is a publicly available valuation report that can be obtained at CalPERS' website under "Forms and Publications". All qualified permanent and probationary employees are eligible to participate in the Authority's cost-sharing multiple-employer defined benefit pension plans administered by CalPERS. Benefit provisions under the plans are established by State statute and the Authority's resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7. PENSION PLAN (CONTINUED)

The plan's provisions and benefits in effect at June 30, 2020, are summarized as follows:

	<u>Miscellaneous Plan</u>	
	Prior To January 1, 2013	On or After January 1, 2013
Hire date	1, 2013	January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting formula	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	6.902%	6.500%
Required employer contribution rates	10.152%	7.266%

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. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The plan's actuarially determined rate is based on the estimated amount necessary to pay the costs of benefits earned by employees during the year, with an additional amount to pay any unfunded accrued liability. The Authority's contribution rates may change if plan contracts are amended. Payments made by the Authority to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. The Authority's contributions to the plan for the year ended June 30, 2019, were \$436,954.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, Deferred Inflows of Resources Related to Pensions - The Authority's net pension liability of \$2,454,725 is measured as the proportionate share of the net pension liability of \$4,004,500,996 (or 0.023955%). The net pension liability is measured as of June 30, 2019, and the total pension liability for each plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using standard update procedures. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7. PENSION PLAN (CONTINUED)

For the measurement period ended June 30, 2019, the Authority recognized pension expense of \$996,386 for the plan. At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 170,491	\$ 13,210
Changes of assumptions	117,053	41,494
Difference between projected and actual earnings on pension plan investments	-	42,916
Difference between contribution and proportionate share of contribution	-	293,019
Adjustment due to differences in proportions	485,101	-
Pension contributions subsequent to the measurement date	<u>1,549,515</u>	<u>-</u>
Total	<u>\$ 2,322,160</u>	<u>\$ 390,639</u>

The \$1,549,515 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021 (measurement period ended June 30, 2019). These amounts are reflected in the financial statements as part of the deferred outflows of resources and deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30:</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2021	\$ 1,842,749
2022	56,328
2023	23,772
2024	8,672
2025	-
Thereafter	-

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7. PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

- The total pension liabilities were determined using the following assumptions:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Actuarial cost method	Entry Age Normal
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by entry age and service 7.15%, net of pension plan investment and administrative expenses; includes inflation
Investment rate of return	Derived using CalPERS' Membership Data for all funds
Mortality Rate (1)	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.5% thereafter
Post Retirement Benefit Increase	

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP2016. For more details on this table, please refer to the 2017 Experience Study Report (based on CalPERS' demographic data from 1997 to 2015) that can be found on the CalPERS' website.

Discount Rate - The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 fund. The expected rate of return was set by calculating the 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7. PENSION PLAN (CONTINUED)

The expected real rates of return by asset class are as followed:

Asset Class	New Strategic Allocation	Real Return Year 1-10 (a)	Real Return Years 11+ (b)
Global Equity	50.00 %	4.80 %	5.98 %
Fixed Income	28.00 %	1.00 %	2.62 %
Inflation Assets	- %	0.77 %	1.81 %
Private Equity	8.00 %	6.30 %	7.23 %
Real Estate	13.00 %	3.75 %	4.93 %
Liquidity	1.00 %	- %	(0.92)%
Total	<u>100.00 %</u>		

(a) An expected inflation of 2.0% is used for this period.

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

Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following presents the Authority's proportionate share of the net pension liability, calculated using the discount rate of 7.15%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate:

	Discount Rate less 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate plus 1% (8.15%)
Plan's net pension liability at June 30, 2020	<u>\$ 4,960,977</u>	<u>\$ 2,454,725</u>	<u>\$ 385,992</u>

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

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB)

Plan description - The Authority participates in the CalPERS 2% at 55 Public Agency Miscellaneous Employees' pension plan for all regular employees hired before January 1, 2013, and 2% at 62 for those hired on or after January 1, 2013.

Employees who retire with a CalPERS pension (at least age 50, or age 52 for employees hired on or after January 1, 2013, with five years of services) are eligible for post-employment medical benefits.

The Authority contributes the minimum amount provided under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act (\$136 per month in 2019, increasing to \$139 in 2020). Retirees must contribute any premium amounts in excess of the Authority's contributions described above. Amounts paid by the Authority continue for the lifetime of the retiree and any surviving spouse, subject to CalPERS' eligibility requirements.

During the July 1, 2017 to June 30, 2018 measurement period, 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 post-employment health plan, to prefund other post-employment benefits through CalPERS. The financial statements for CERBT may be obtained by writing the California Public Employees' Retirement System, Constituent Relations Office, CERT (OPEB), P.O. Box 242709, Sacramento, California 94229-2709, or by calling 888-225-7377.

Plan Membership Information

Active plan members	47
Inactive plan members or beneficiaries currently receiving benefits	<u>7</u>
Total	<u><u>54</u></u>

Funding Policy - The Authority intends to contribute the full actuarially determined contribution to the plan each year. Contributions would be made up of cash contributions made to the trust as well as any benefit payments (implicit and explicit) unreimbursed by the trust.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (CONTINUED)

Actuarial Methods and Assumptions

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry age normal
Amortization Method	Straight-line amortization
Asset Valuation Method	Market value
Net Investment Return	7.28%, based on the CERBT Strategy 1 investment policy
Inflation Rate	2.26% annual inflation
Payroll Increases	3.25% annual increases
Mortality	Pre-retirement: CalPERS 2017 Mortality for pre-retirement Post-retirement: CalPERS 2017 Mortality for post-retirement.
Healthcare Cost Trend Rates	3.25% pre-65 and 5.00% post-65 initial trend rates for 2020. Decreasing 0.25% per year until ultimate rate of 5.00% is reached in 2028

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 were performed based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing cost between the Authority and plan members through June 30, 2019. Additionally, actuarial calculations reflect a long-term perspective and include methods and assumptions that were designed to reduce short-term volatility of actuarial accrued liabilities and actuarial value of assets. The Authority has relied on the work of the Authority's actuary to determine the Authority's net OPEB liability, and considers the underlying assumptions used by the actuary to be reasonable.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (CONTINUED)

Long-Term Expected Rate of Return - The valuation uses a discount rate of 7.28% per year, net of investment expenses and including inflation. This is a long-term 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 June 30, 2019, the measurement date, are summarized in the following table:

Investment Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	60.00 %	5.49%
Fixed income	32.00 %	1.65%
REITs	8.00 %	5.06%
Total	<u>100.00 %</u>	

Changes in the Net OPEB Liability - The total OPEB liability (asset) shown below is based on an actuarial valuation performed - as of June 30, 2018, and a measurement date of June 30, 2019:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a)-(b)
Balance at June 30, 2018	\$ 941,112	\$ 1,051,622	\$ (110,510)
Service cost	56,628	-	56,628
Interest	70,891	-	70,891
Differences between expected and actual experience	(2,338)	-	(2,338)
Changes of assumptions	-	-	-
Net investment income	-	68,342	(68,342)
Benefit payments	(48,803)	(48,803)	-
Contributions - employer	-	124,079	(124,079)
Contributions - employee	-	-	-
Administrative expense	-	(240)	240
Changes of benefit terms	-	-	-
Net changes	<u>76,378</u>	<u>143,378</u>	<u>(67,000)</u>
Balance at June 30, 2019	<u>\$ 1,017,490</u>	<u>\$ 1,195,000</u>	<u>\$ (177,510)</u>

The required schedule of changes in the net OPEB liability and related ratios immediately following the notes to the financial statements presents the beginning and ending balances of the total OPEB liability, the plan fiduciary net position available for OPEB benefits, and the net OPEB liability, 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, the payroll amount for current employees in the plan (covered employee payroll), and a ratio of the net OPEB liability as a percentage of the covered employee payroll. Two years of information are presented and will build to 10 years of information on a prospective basis.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (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 contribution, 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 Due to Changes in the Discount Rate - The following table represents the net OPEB liability (asset), calculated using the current discount rate of 7.28%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower (6.28%) or one percentage point higher (8.28%) than the current rate:

	1% Decrease (6.28%)	Current Discount Rate (7.28%)	1% Increase (8.28%)
Net OPEB liability (asset)	\$ <u>(43,774)</u>	\$ <u>(177,510)</u>	\$ <u>(287,762)</u>

Sensitivity of the Net OPEB Liability 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 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	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability (asset)	\$ <u>(249,407)</u>	\$ <u>(177,510)</u>	\$ <u>42,153</u>

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

- For the year ended June 30, 2020, the Authority recognized an OPEB income of \$172,398. At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 285,536
Changes in assumptions	-	925,397
Net difference between projected and actual earnings	13,519	-
Contributions to OPEB plan after measurement date (June 30, 2019)	<u>45,387</u>	<u>-</u>
Total	<u>\$ 58,906</u>	<u>\$ 1,210,933</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (CONTINUED)

Pursuant to GASB Statement No. 75, amounts reported as deferred outflows of resources related to OPEB contributions made subsequent to the measurement date of June 30, 2019, will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2021. These amounts are reflected in the financial statements as part of the deferred outflows of resources and deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized OPEB expense as follows:

<u>Measurement period Ending June 30:</u>	<u>Amount</u>
2020	\$ (175,529)
2021	(220,914)
2022	(224,938)
2023	(223,857)
2024	(185,385)
Thereafter	(121,404)

NOTE 9. GUARANTEES

Littlejohn Commons

Related to the Littlejohn Commons Senior property located at 1301 Buena Vista Avenue, the Authority entered into a guaranty agreement dated December 1, 2016, and attached as Exhibit E to the amended and restated limited partnership agreement of Sherman and Buena Vista LP for all of its obligations under that agreement, including partnership management duties, development completion, operating deficits, tax credit delivery, and repurchase obligations. The operating deficit guaranty amount is \$245,668. The Authority is released from this operating deficit obligation after two consecutive years of 1.15 debt service coverage ratio after stabilized occupancy and no sooner than 2020. As of June 30, 2020, the outstanding operating deficit guaranty was \$917,283.

Related to the Littlejohn Commons Senior property located at 1301 Buena Vista Avenue, the Authority entered into an unlimited guaranty agreement with Compass Bank related to the construction loan agreement and promissory note for \$10,322,328, any costs required to achieve permanent loan closing, and any environmental claims pursuant to the Environmental Indemnity Agreement. The construction loan was repaid by Littlejohn Commons to Compass Bank during fiscal year 2019.

Everett Commons

Related to the Everett Commons property located at 2437 Eagle Avenue, the Authority entered into a guaranty agreement dated June 27, 2017, and attached as Exhibit D to the first amended and restated limited partnership agreement of Everett and Eagle LP for performance of all its obligations under that agreement, including construction completion, operating deficits, liquidity, and tax credit delivery. The operating deficit loan guaranty obligation is up to \$314,000. The Authority is released from this operating deficit obligation after two consecutive years of 1.15 debt service coverage ratio after stabilized occupancy and no sooner than 2024. As guarantor, the Authority must also maintain liquid assets of at least \$850,000 in bank deposits in aggregate with Island City Development until all obligations are met.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9. GUARANTEES (CONTINUED)

Everett Commons (continued)

Related to Everett Commons property located at 2437 Eagle Avenue, the Authority entered into a payment and performance guaranty dated June 21, 2017, with JP Morgan Chase Bank NA related to a construction loan in the amount of \$9,859,528, which converted to a permanent loan in the amount of \$3,330,168 in July 2019.

NOTE 10. GROUND LEASES

On December 1, 1998, the Authority entered into a ground lease agreement with Regent St. CLT Condominiums located at 1129-1131 Regent Street. The lease term is 99 years, ending in 2097.

On May 7, 2001, the Authority entered into a ground lease agreement with Santa Clara Ave CLT Condominiums located at 2201-2203 Santa Clara Avenue and 1502 Walnut Street. The lease term is 99 years, ending in 2100.

On March 14, 2003, the Authority entered into a ground lease agreement with RCD, as amended by the First Amendment to Ground Lease dated October 14, 2004, for the Breakers at Bayport development located at 459 Neptune Gardens Avenue. The lease term is 75 years, ending March 31, 2081. On October 14, 2004, the lease was assigned to Breakers at Bayport, LP.

On October 4, 2006, the Authority entered into a ground lease agreement with RCD for the Shinsei Gardens Apartments, located at 401 Willie Stargell Avenue. The lease term is 75 years, ending March 31, 2081. On March 24, 2008, the lease was assigned to Shinsei Gardens Apartments, LP.

On May 25, 2012, the Authority entered into a ground lease agreement with Housing Consortium of the East Bay ("HCEB") and Satellite Housing, Inc. for the Jack Capon Villas, located at 2216 Lincoln Avenue. The rent for the entire lease term, \$100, was prepaid at lease signing. The lease term is 75 years, ending May 25, 2087. In November 2012, the lease was assigned to Jack Capon Villas, LP.

On November 14, 2015, the Authority entered into a ground lease agreement with Stargell Commons, LP for the property located at 2700 Bette Street. The lease term is 99 years, ending December 31, 2114. Initial rent of \$400,000 plus \$1 per year in prepaid lease payments for the entire term \$99 was paid on December 2, 2015.

On December 1, 2016, the Authority entered into a ground lease agreement with Sherman and Buena Vista LP, a subsidiary of Island City Development, for the property located at 1301 Buena Vista Avenue. The lease term is 99 years, ending December 31, 2115. Unearned rent for the entire lease term of \$3,410,000 was received on December 15, 2016. Unearned revenue will be amortized over the term of the life. See related note receivable in Note 4. At June 30, 2020, the unamortized balance was \$3,317,290, which is reflected in the accompanying statement of net position as prepaid ground lease.

On June 1, 2017, the Authority entered into a ground lease agreement with Everett and Eagle LP, a subsidiary of Island City Development, for the property located at 2437 Eagle Street. The lease term is 99 years, ending June 1, 2116. Prepaid rent for the entire lease term of \$9,900 was paid on June 29, 2017.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10. GROUND LEASES (CONTINUED)

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC, for the property known as Anne B. Diament located at 920 Park Street. The lease term is 75 years, ending May 1, 2093. Prepaid rent for the entire lease term of \$75 was paid on May 1, 2018.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC for the property known as China Clipper Plaza located at 460 Buena Vista Avenue. The lease term is 75 years, ending May 1, 2093. Prepaid rent for the entire lease term of \$75 was paid on May 1, 2018.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC, for the property known as Lincoln Willow Apartments located at 2101-2103 Lincoln Avenue. The lease term is 75 years, ending May 1, 2093. Prepaid rent for the entire lease term of \$75 was paid on May 1, 2018.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC, for the property known as Stanford House and located at 1917 Stanford Avenue. The lease term is 75 years, ending May 1, 2093. Prepaid rent for the entire lease term of \$75 was paid on May 1, 2018.

At June 30, 2020, the future rental income required under the lease agreements entered into by the Authority are as follows:

<u>Fiscal Year Ending:</u>	<u>Amount</u>
2021	\$ 45,324
2022	45,324
2023	45,324
2024	45,324
2025	45,324
Thereafter	<u>3,956,396</u>
	<u>\$ 4,183,016</u>

NOTE 11. JOINT POWERS AGREEMENTS

Workers' compensation insurance

The Authority participates in a joint venture under a joint powers agreement ("JPA") with the California Housing Workers' Compensation Authority ("CHWCA"). CHWCA is a California joint powers insurance authority established in 1991 for the purpose of providing workers' compensation coverage to California public housing authority members. CHWCA is a special district in the state of California providing its members with a comprehensive workers' compensation coverage program for the sharing of risk for self-insured losses, as well as jointly purchasing claims adjusting services, actuarial services, risk control services, and legal services connected with the program.

CHWCA is governed by a seven-member executive committee which is elected by the 33-member board of directors. Each of CHWCA's 33-member agencies appoint one primary and one alternate member to serve on the board of directors.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11. JOINT POWERS AGREEMENTS (CONTINUED)

Workers' Compensation Insurance (Continued)

The relationship between the Authority and CHWCA is such that CHWCA is not a component unit of the Authority for financial reporting purposes. Further information can be found at www.chwca.org.

Property and liability insurance

The Authority participates in a joint venture under a JPA with the Housing Authorities Risk Retention Pool ("HARRP"). HARRP was formed to provide property and liability insurance coverage for member housing authorities. At December 31, 2019, there were 83 members. The relationship between the Authority and HARRP is such that HARRP is not a component unit of the Authority for financial reporting purposes. Further information can be found at www.harrp.com.

ABAG Natural Gas JPA

The Authority participates in a joint venture under a JPA with ABAG POWER, an association of Bay Area governments service program. The joint powers agency formed in collaboration with many Bay Area cities, and special districts. Currently, ABAG POWER's primary objective is to conduct pooled purchasing of natural gas on behalf of local governments and special districts who voluntarily join the pool. The program enables members to achieve pricing suppliers who are interested in larger and more attractive combined loads. The pool is currently in its twentieth year of operation, and is serving 40 member agencies throughout Pacific Gas and Electric's service territory. Further information can be found at www.abag.ca.gov/our-work/energy-infrastructure/power.

NOTE 12. CONTINGENT LIABILITIES

The Authority is exposed to various risks of losses related to torts, theft, or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. Claim liabilities are reported when probable that a loss has occurred and the amount of that loss can be reasonably estimated. As of June 30, 2020, the Authority is not aware of any situations that would warrant a claim liability or disclosure in the financial statements.

Federal Grants

The Authority has received funds from various federal, state, and local grant programs. It is possible that at some future date it may be determined that the Authority was not in compliance with applicable grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Authority does not expect such disallowed amounts, if any, to materially affect the financial statements.

NOTE 13. SUBSEQUENT EVENTS

The Authority has evaluated events and transactions for potential recognition or disclosure through May XX, 2021, which is the date the financial statements were available to be issued. Management has determined that there were no material subsequent events that required additional disclosure in these financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 14. ECONOMIC UNCERTAINTY DUE TO COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a strain of coronavirus ("COVID-19") a pandemic. As a result, economic uncertainties have arisen which may negatively impact rental operations. Other financial and operational impacts could occur, though such potential impact is unknown at this time. No adjustments or provisions were made in these financial statements related to uncertainties which have arisen or which may arise in the future due to COVID-19.

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REQUIRED SUPPLEMENTARY INFORMATION

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HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Years*

166

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Authority's proportion of the net pension liability	0.023955 %	0.021089 %	0.021448 %	0.019472 %	0.027020 %	0.030130 %
Authority's proportionate share of the net pension liability	\$ 2,454,725	\$ 2,032,192	\$ 2,127,040	\$ 1,684,952	\$ 1,854,640	\$ 1,871,494
Authority's covered-employee payroll	\$ 3,464,574	\$ 4,030,351	\$ 3,906,839	\$ 2,752,784	\$ 3,634,051	\$ 2,717,587
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	70.85 %	50.42 %	54.44 %	61.21 %	51.04 %	68.87 %
Plan fiduciary net position as a percentage of the total pension liability	75.30 %	88.05 %	75.39 %	88.01 %	107.30 %	83.00 %

*These amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE AUTHORITY'S PENSION PLAN CONTRIBUTIONS
Last 10 Years*

167

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	\$ 436,954	\$ 381,431	\$ 336,127	\$ 1,322,171	\$ 1,393,004	\$ 300,316
Contributions in relation to the actuarially determined contribution	<u>(436,954)</u>	<u>(381,431)</u>	<u>(336,127)</u>	<u>(1,322,171)</u>	<u>(1,393,004)</u>	<u>(1,393,004)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,092,688)</u>
Authority's covered-employee payroll	\$ 3,464,574	\$ 4,030,351	\$ 3,906,839	\$ 2,752,784	\$ 2,717,587	\$ 2,717,587
Contributions as a percentage of covered-employee payroll	12.61 %	9.46 %	8.60 %	48.03 %	51.26 %	51.26 %

*These amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

Changes in Actuarial Assumptions:

No changes noted.

Changes in Benefit Terms:

No changes noted.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED
RATIOS
Last 10 Years*

168

<u>Total OPEB liability</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 56,628	\$ 56,590	\$ 162,835
Interest	70,891	89,980	74,812
Differences between expected and actual experience	(2,338)	(348,070)	(3,275)
Changes of assumptions	-	(17,137)	(1,482,802)
Benefit payments, including refunds of employee contributions	<u>(48,803)</u>	<u>(38,634)</u>	<u>(30,448)</u>
Net change in total OPEB liability	76,378	(257,271)	(1,278,878)
Total OPEB liability - beginning	<u>941,112</u>	<u>1,198,383</u>	<u>2,477,261</u>
Total OPEB liability - ending	<u>\$ 1,017,490</u>	<u>\$ 941,112</u>	<u>\$ 1,198,383</u>
 <u>Plan fiduciary net position</u>			
Contributions - employer	\$ 124,079	\$ 38,634	\$ 1,012,388
Net investment income (loss)	68,342	76,420	(6,213)
Benefit payments, including refunds of employee contributions	(48,803)	(38,634)	(30,448)
Administrative expense	<u>(240)</u>	<u>(520)</u>	<u>(5)</u>
Net change in plan fiduciary net position	143,378	75,900	975,722
Plan fiduciary net position - beginning	<u>1,051,622</u>	<u>975,722</u>	<u>-</u>
Plan fiduciary net position - ending	<u>\$ 1,195,000</u>	<u>\$ 1,051,622</u>	<u>\$ 975,722</u>
Authority's net OPEB liability (asset)	<u>\$ (177,510)</u>	<u>\$ (110,510)</u>	<u>\$ 222,661</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	117.45 %	111.74 %	81.42 %
Covered payroll	<u>\$ 3,464,574</u>	<u>\$ 4,030,351</u>	<u>\$ 3,906,839</u>
Authority's net OPEB liability (asset) as a percentage of covered payroll	(5.12)%	(2.74)%	5.70 %

*These amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

Changes in Actuarial Assumptions:

No changes noted.

Changes in Benefit Terms:

No changes noted.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE AUTHORITY'S OPEB PLAN CONTRIBUTIONS
Last 10 Years*

169

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 60,751	\$ 78,605	\$ 128,377
Contributions in relation to the actuarially determined contribution	<u>(124,079)</u>	<u>(38,634)</u>	<u>(1,012,388)</u>
Contribution deficiency (excess)	<u>\$ (63,328)</u>	<u>\$ 39,971</u>	<u>\$ (884,011)</u>
Authority's covered-employee payroll	\$ 3,464,574	\$ 4,030,351	\$ 3,906,839
Contributions as a percentage of covered-employee payroll	3.58 %	0.96 %	25.91 %

*These amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

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OTHER SUPPLEMENTARY INFORMATION

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Housing Authority of the City of Alameda
Financial Data Schedule
Entity-Wide Balance Sheet
June 30, 2020

	Housing Choice Vouchers 14.871	Family Self-Sufficiency Program 14.896	Section 8 Moderate Rehabilitation Single Room Occupancy 14.249	Shelter Plus Care 14.238	State/Local 2	Alameda Affordable Housing Corporation	Cares Act Funding	Subtotal	ELIM	Total	Island City Development	OPEB Trust Fund	Grand Total
111 Cash - Unrestricted	\$ 46,304	\$ 43,586	\$ 62,966	\$ -	\$ 6,194,877	\$ 1,849,503	\$ -	\$ 8,197,236	\$ -	\$ 8,197,236	\$ 1,571,493	\$ -	\$ 9,768,729
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-	-	326,006	-	326,006
113 Cash - Other Restricted	73,831	-	-	-	816,601	378,341	-	1,268,773	-	1,268,773	-	-	1,268,773
114 Cash - Tenant Security Deposits	-	-	-	-	381,032	237,855	-	618,887	-	618,887	41,500	-	660,387
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
100 Total Cash	120,135	43,586	62,966	-	7,392,510	2,465,699	-	10,084,896	-	10,084,896	1,938,999	-	12,023,895
121 Accounts Receivable - PHA Projects	188,220	-	-	-	-	-	-	188,220	-	188,220	-	-	188,220
122 Accounts Receivable - HUD Other Projects	264,323	13,629	9,307	-	-	-	-	287,259	-	287,259	-	-	287,259
124 Accounts Receivable - Other Government	-	-	-	211,790	1,755,098	71,905	-	2,038,793	-	2,038,793	-	-	2,038,793
125 Accounts Receivable - Miscellaneous	-	-	-	-	-	4,138	-	4,138	-	4,138	99,819	-	103,957
126 Accounts Receivable - Tenants	-	-	-	-	197,233	26,375	-	223,608	-	223,608	-	-	223,608
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-	-	(97,973)	(9,632)	-	(107,605)	-	(107,605)	-	-	(107,605)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	49,115,000	-	-	49,115,000	(49,115,000)	-	-	-	-
128 Fraud Recovery	8,721	-	-	-	21,834	-	-	30,555	-	30,555	-	-	30,555
128.1 Allowance for Doubtful Accounts - Fraud	(8,721)	-	-	-	(21,109)	-	-	(29,830)	-	(29,830)	-	-	(29,830)
129 Accrued Interest Receivable	6	-	-	-	47,676	-	-	47,682	-	47,682	-	-	47,682
120 Total Receivables, Net of Allowances for Doubtful Accounts	452,549	13,629	9,307	211,790	51,017,759	92,786	-	51,797,820	(49,115,000)	2,682,820	99,819	-	2,782,639
131 Investments - Unrestricted	-	-	-	-	19,252,648	-	-	19,252,648	-	19,252,648	-	1,236,662	20,489,310
132 Investments - Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	9,597	-	-	-	176,226	43,614	-	229,437	-	229,437	5,827,620	-	6,057,057
143 Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
144 Inter Program Due From	153,818	25,331	1,699	6	1,277,856	3,710	-	1,462,420	(1,462,420)	-	-	-	-
145 Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-
150 Total Current Assets	736,099	82,546	73,972	211,796	79,116,999	2,605,809	-	82,827,221	(50,577,420)	32,249,801	7,866,438	1,236,662	41,352,901
161 Land	-	-	-	-	56,059,854	2,159,925	-	58,219,779	-	58,219,779	2,170,596	-	60,390,375
162 Buildings	-	-	-	-	18,771,490	14,974,323	-	33,745,813	-	33,745,813	26,161,709	-	59,907,522
163 Furniture, Equipment & Machinery - Dwellings	36,429	-	-	-	272,755	45,890	-	355,074	-	355,074	-	-	355,074
164 Furniture, Equipment & Machinery - Administration	5,684	-	-	-	116,686	-	-	122,370	-	122,370	512,067	-	634,437
165 Leasehold Improvements	-	-	-	-	7,983,273	6,519,747	-	14,503,020	-	14,503,020	-	-	14,503,020
166 Accumulated Depreciation	(37,192)	-	-	-	(17,619,346)	(12,511,331)	-	(30,167,869)	-	(30,167,869)	(1,020,974)	-	(31,188,843)
167 Construction in Progress	-	-	-	-	89,225	14,665	-	103,890	-	103,890	-	-	103,890
168 Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	4,921	-	-	-	65,673,937	11,203,219	-	76,882,077	-	76,882,077	27,823,398	-	104,705,475
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	31,224,401	-	-	31,224,401	-	31,224,401	-	-	31,224,401
172 Notes, Loans, and Mortgages Receivable - Non-Current - Past Due	-	-	-	-	-	-	-	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-	-	-	-	-	-	-	-
174 Other Assets	46,153	1,775	-	-	110,056	19,526	-	177,510	-	177,510	-	-	177,510
176 Investments in Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-
180 Total Non-Current Assets	51,074	1,775	-	-	97,008,394	11,222,745	-	108,283,988	-	108,283,988	27,823,398	-	136,107,386
200 Deferred Outflow of Resources	619,077	23,811	-	-	1,476,261	261,917	-	2,381,066	-	2,381,066	-	-	2,381,066
290 Total Assets and Deferred Outflow of Resources	\$ 1,406,250	\$ 108,132	\$ 73,972	\$ 211,796	\$ 177,601,654	\$ 14,090,471	\$ -	\$ 193,492,275	\$ (50,577,420)	\$ 142,914,855	\$ 35,689,836	\$ 1,236,662	\$ 179,841,353

Housing Authority of the City of Alameda
 Financial Data Schedule
 Entity-Wide Balance Sheet
 June 30, 2020

	Housing Choice Vouchers 14.871	Family Self-Sufficiency Program 14.896	Section 8 Moderate Rehabilitation Single Room Occupancy 14.249	Shelter Plus Care 14.238	State/Local 2	Alameda Affordable Housing Corporation	Cares Act Funding	Subtotal	ELIM	Total	Island City Development	OPEB Trust Fund	Grand Total
311 Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
312 Accounts Payable <= 90 Days	162,293	460	2,418	1,377	580,411	240,280	-	987,239		987,239	-		987,239
313 Accounts Payable >90 Days Past Due	-	-	-	-	1,338	-	-	1,338		1,338	-		1,338
321 Accrued Wage/Payroll Taxes Payable	40,686	-	-	-	71,230	23,976	-	135,892		135,892	-		135,892
322 Accrued Compensated Absences - Current Portion	60,759	-	-	-	84,490	41,773	-	187,022		187,022	-		187,022
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-		-	-		-
325 Accrued Interest Payable	-	-	-	-	641,617	433,588	-	1,075,205		1,075,205	858,796		1,934,001
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-		-	-		-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-	-		-	-		-
333 Accounts Payable - Other Government	-	-	-	-	-	-	-	-		-	-		-
341 Tenant Security Deposits	-	-	-	-	365,380	216,119	-	581,499		581,499	41,500		622,999
342 Unearned Revenue	47,765	-	-	-	3,317,290	10,068	-	3,375,123		3,375,123			3,375,123
343 Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	470,791	629,555	-	1,100,346		1,100,346			1,100,346
344 Current Portion of Long-Term Debt - Operating Borrowings	-	-	-	-	-	-	-	-		-			-
345 Other Current Liabilities	1,790,000	-	-	-	-	47,325,000	-	49,115,000	(49,115,000)	-	-		-
346 Accrued Liabilities - Other	185,947	-	-	-	-	-	-	185,947		185,947	244,149		430,096
347 Inter Program - Due To	1,001,541	58,911	-	126,413	275,555	-	-	1,462,420	(1,462,420)	-	-		-
348 Loan Liability - Current	-	-	-	-	-	-	-	-		-	-		-
310 Total Current Liabilities	3,288,991	59,371	2,418	127,790	5,808,102	48,920,359	-	58,207,031	(50,577,420)	7,629,611	1,144,445	-	8,774,056
351 Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	19,310,417	4,257,467	-	23,567,884		23,567,884	20,675,495		44,243,379
352 Long-Term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-		-	-		-
353 Non-Current Liabilities - Other	73,831	-	-	-	-	-	-	73,831		73,831	-		73,831
354 Accrued Compensated Absences - Non-Current	51,549	-	-	-	70,227	19,581	-	141,357		141,357	-		141,357
355 Loan Liability - Non Current	-	-	-	-	-	-	-	-		-	-		-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-		-	-		-
357 Accrued Pension and OPEB Liabilities	638,229	24,547	-	-	1,521,929	270,020	-	2,454,725		2,454,725	-		2,454,725
350 Total Non-Current Liabilities	763,609	24,547	-	-	20,902,573	4,547,068	-	26,237,797	-	26,237,797	20,675,495	-	46,913,292
300 Total Liabilities	4,052,600	83,918	2,418	127,790	26,710,675	53,467,427	-	84,444,828	(50,577,420)	33,867,408	21,819,940	-	55,687,348
400 Deferred Inflow of Resources	416,409	16,016	-	-	992,974	176,173	-	1,601,572		1,601,572			1,601,572
508.4 Net Investment in Capital Assets	4,921	-	-	-	45,892,729	6,316,197	-	52,213,847		52,213,847	7,147,903	-	59,361,750
511.4 Restricted Net Position	-	-	-	-	832,253	400,077	-	1,232,330		1,232,330	326,006	-	1,558,336
512.4 Unrestricted Net Position	(3,067,680)	8,198	71,554	84,006	103,173,023	(46,269,403)	-	53,999,698		53,999,698	6,395,987	1,236,662	61,632,347
513 Total Equity - Net Assets / Position	(3,062,759)	8,198	71,554	84,006	149,898,005	(39,553,129)	-	107,445,875	-	107,445,875	13,869,896	1,236,662	122,552,433
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 1,406,250	\$ 108,132	\$ 73,972	\$ 211,796	\$ 177,601,654	\$ 14,090,471	\$ -	\$ 193,492,275	\$ (50,577,420)	\$ 142,914,855	\$ 35,689,836	\$ 1,236,662	\$ 179,841,353

Housing Authority of the City of Alameda
 Financial Data Schedule
 Entity-Wide Revenue and Expense Summary
 June 30, 2020

	Housing Choice Vouchers 14,871	Family Self-Sufficiency Program 14,896	Section 8 Moderate Rehabilitation Single Room Occupancy 14,249	Shelter Plus Care 14,238	State/Local 2	Alameda Affordable Housing Corporation	Cares Act Funding	Subtotal	ELIM	Total	Island City Development	OPEB Trust Fund	Grand Total	
70300	Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ 2,857,592	\$ 863,421	\$ -	\$ 3,721,013	\$ -	\$ 3,721,013	\$ 810,664	\$ -	\$ 4,531,677
70400	Tenant Revenue - Other	-	-	-	-	45,134	18,447	-	63,581	-	63,581	496,301	-	559,882
70500	Total Tenant Revenue	-	-	-	-	2,902,726	881,868	-	3,784,594	-	3,784,594	1,306,965	-	5,091,559
70600	HUD PHA Operating Grants	32,202,771	59,387	237,669	-	-	(350,010)	32,499,827	-	32,499,827	-	-	-	32,499,827
70610	Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
70730	Bookkeeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	32,202,771	59,387	237,669	-	-	(350,010)	32,499,827	-	32,499,827	-	-	-	32,499,827
70800	Other Government Grants	-	-	-	437,638	10,392,027	1,929,558	-	12,759,223	(7,580,220)	5,179,003	-	-	5,179,003
71100	Investment Income - Unrestricted	-	-	-	-	433,945	-	-	433,945	-	433,945	-	42,246	476,191
71200	Mortgage Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud Recovery	6,212	-	-	-	102	-	-	6,314	-	6,314	-	-	6,314
71500	Other Revenue	377,020	-	-	-	75,464	-	-	452,484	-	452,484	-	-	452,484
71600	Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
72000	Investment Income - Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
70000	Total Revenue	32,586,003	59,387	237,669	437,638	13,804,264	2,811,426	(350,010)	49,936,387	(7,580,220)	42,356,167	1,306,965	42,246	43,705,378
91100	Administrative Salaries	1,347,416	43,785	45,425	14,608	2,536,708	340,203	283,008	4,328,145	-	4,328,145	53,012	-	4,381,157
91200	Auditing Fees	24,036	-	300	-	25,915	12,996	-	63,247	-	63,247	-	-	63,247
91300	Management Fee	-	-	-	-	55,686	-	-	55,686	-	55,686	-	-	55,686
91310	Bookkeeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-	33,169	-	-	33,169
91500	Employee Benefit Contributions - Administrative	215,624	6,671	-	-	1,105,162	73,513	-	1,400,970	-	1,400,970	-	-	1,400,970
91600	Office Expenses	289,368	-	-	-	768,644	135,723	62,752	1,193,735	-	1,193,735	89,901	-	1,283,636
91700	Legal Expense	92,499	-	-	-	194,037	136,488	-	423,024	-	423,024	8,851	-	431,875
91800	Travel	10,364	-	-	-	27,178	3,441	-	40,983	-	40,983	-	-	40,983
91810	Allocated Overhead	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	57,457	476	-	-	9,303	2,381	-	69,617	-	69,617	100,306	584	170,507
91000	Total Operating - Administrative	2,036,764	50,932	45,725	14,608	4,722,633	704,745	345,760	7,575,407	-	7,575,407	285,239	584	7,861,230
92000	Asset Management Fee	-	-	-	-	-	-	-	-	-	10,717	-	-	10,717
92100	Tenant Services - Salaries	-	-	-	-	153,898	56,806	-	210,704	-	210,704	-	-	210,704
92200	Relocation Costs	-	-	-	-	50,022	20,344	-	70,366	-	70,366	-	-	70,366
92300	Employee Benefit Contributions - Tenant Services	3,270	-	-	-	61,340	20,138	-	84,748	-	84,748	-	-	84,748
92400	Tenant Services - Other	9	-	-	-	211,438	64,566	-	276,013	-	276,013	-	-	276,013
92500	Total Tenant Services	3,279	-	-	-	476,698	161,854	-	641,831	-	641,831	-	-	641,831

Housing Authority of the City of Alameda
Financial Data Schedule
Entity-Wide Revenue and Expense Summary
June 30, 2020

		Housing Choice Vouchers 14,871	Family Self-Sufficiency Program 14,896	Section 8 Moderate Rehabilitation Single Room Occupancy 14,249	Shelter Plus Care 14,238	State/Local 2	Alameda Affordable Housing Corporation	Cares Act Funding	Subtotal	ELIM	Total	Island City Development	OPEB Trust Fund	Grand Total
											-			
93100	Water	5,399	-	-	-	282,011	67,384	-	354,794		354,794	7,598		362,392
93200	Electricity	8,443	-	-	-	81,899	59,946	-	150,288		150,288	16,159		166,447
93300	Gas	190	-	-	-	-	95,430	-	95,620		95,620	102		95,722
93400	Fuel	-	-	-	-	-	-	-	-		-	-		-
93500	Labor	-	-	-	-	-	-	-	-		-	-		-
93600	Sewer	917	-	-	-	115,999	21,716	-	138,632		138,632	7,598		146,230
93700	Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-		-	-		-
93800	Other Utilities Expense	1,243	-	-	-	363,032	92,179	-	456,454		456,454	-		456,454
93000	Total Utilities	16,192	-	-	-	842,941	336,655	-	1,195,788	-	1,195,788	31,457	-	1,227,245
94100	Ordinary Maintenance and Operations - Labor	103	-	-	-	558,669	182,412	1,286	741,184		741,184	77,894		819,078
94200	Ordinary Maintenance and Operations - Materials and Other	2,832	-	-	-	109,979	29,953	2,964	142,764		142,764	-		142,764
94300	Ordinary Maintenance and Operations Contracts	27,183	-	-	-	844,058	256,082	-	1,127,323		1,127,323	15,183		1,142,506
94500	Employee Benefit Contributions - Ordinary Maintenance	2	-	-	-	314,351	56,417	-	370,770		370,770	21,495		392,265
94000	Total Maintenance	30,120	-	-	-	1,827,057	524,864	4,250	2,382,041	-	2,382,041	114,572	-	2,496,613
95100	Protective Services - Labor	-	-	-	-	-	-	-	-		-	-		-
95200	Protective Services - Other Contract Costs	38,950	-	-	-	172,853	80,138	-	291,941		291,941	-		291,941
95300	Protective Services - Other	-	-	-	-	-	-	-	-		-	-		-
95500	Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-		-	-		-
95000	Total Protective Services	38,950	-	-	-	172,853	80,138	-	291,941	-	291,941	-	-	291,941
96110	Property Insurance	379	-	-	-	77,075	18,201	-	95,655		95,655	14,234		109,889
96120	Liability Insurance	9,559	-	-	-	43,336	8,624	-	61,519		61,519	14,234		75,753
96130	Workmens' Compensation	-	257	-	-	6,470	-	-	6,727		6,727	-		6,727
96140	All Other Insurance	5,608	-	-	-	22,851	6,570	-	35,029		35,029	-		35,029
96100	Total Insurance Premiums	15,546	257	-	-	149,732	33,395	-	198,930	-	198,930	28,467	-	227,397
96200	Other General Expenses	66,439	-	-	-	212,282	50,024	-	328,745		328,745	222,176		550,921
96210	Compensated Absences	-	-	-	-	-	-	-	-		-	-		-
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-		-	12,075		12,075
96400	Bad debt - Tenant Rents	-	-	-	-	38,391	9,000	-	47,391		47,391	-		47,391
96500	Bad debt - Mortgages	-	-	-	-	-	-	-	-		-	-		-
96600	Bad debt - Other	-	-	-	-	44,747	-	-	44,747		-	-		-
96800	Severance Expense	-	-	-	-	-	-	-	-		-	-		-
96000	Total Other General Expenses	66,439	-	-	-	295,420	59,024	-	420,883	-	420,883	234,251	-	655,134

Housing Authority of the City of Alameda
 Financial Data Schedule
 Entity-Wide Revenue and Expense Summary
 June 30, 2020

	Housing Choice Vouchers 14,871	Family Self-Sufficiency Program 14,896	Section 8 Moderate Rehabilitation Single Room Occupancy 14,249	Shelter Plus Care 14,238	State/Local 2	Alameda Affordable Housing Corporation	Cares Act Funding	Subtotal	ELIM	Total	Island City Development	OPEB Trust Fund	Grand Total
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	1,021,926	83,988	-	1,105,914	-	1,105,914	-	1,105,914
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	825,648	-	825,648
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	6,500	-	6,500
96700	Total Interest Expense and Amortization Cost	-	-	-	-	1,021,926	83,988	-	1,105,914	-	1,105,914	832,148	1,938,062
96900	Total Operating Expenses	2,207,290	51,189	45,725	14,608	9,509,260	1,984,663	350,010	13,812,735	-	13,812,735	1,536,851	15,350,170
97000	Excess (Deficiency) of Operating Revenue over Operating Expenses	30,378,713	8,198	191,944	423,030	4,295,004	826,763	-	36,123,652	(7,580,220)	28,543,432	(229,886)	28,355,208
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty Losses - Non-capitalized	-	-	-	-	-	-	-	-	-	-	-	-
97300	Housing Assistance Payments	30,913,164	-	191,674	414,807	-	-	-	31,519,645	(7,580,220)	23,939,425	-	23,939,425
97350	HAP Portability-In	359,142	-	-	-	-	-	-	359,142	-	359,142	-	359,142
97400	Depreciation Expense	384	-	-	-	1,367,498	417,476	-	1,785,358	-	1,785,358	837,028	2,622,386
97500	Fraud Losses	-	-	-	-	-	-	-	-	-	-	-	-
97600	Capital Outlays - Governmental Funds	-	-	-	-	-	-	-	-	-	-	-	-
97700	Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-	-	-	-	-	-
97800	Dwelling Units Rent Expense	-	-	-	-	-	-	-	-	-	-	-	-
90000	Total Expenses	33,479,980	51,189	237,399	429,415	10,876,758	2,402,139	350,010	47,476,880	(7,580,220)	39,896,660	2,373,879	42,271,123
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(893,977)	8,198	270	8,223	2,927,506	409,287	-	2,459,507	-	2,459,507	(1,066,914)	1,434,255

Housing Authority of the City of Alameda
 Financial Data Schedule
 Entity-Wide Revenue and Expense Summary
 June 30, 2020

	Housing Choice Vouchers 14,871	Family Self-Sufficiency Program 14,896	Section 8 Moderate Rehabilitation Single Room Occupancy 14,249	Shelter Plus Care 14,238	State/Local 2	Alameda Affordable Housing Corporation	Cares Act Funding	Subtotal	ELIM	Total	Island City Development	OPEB Trust Fund	Grand Total	
10010	Operating Transfer In	-	-	-	-	-	-	-	-	-	-	-	-	
10020	Operating Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-	
10030	Operating Transfers from/to Primary Government	-	-	-	-	-	-	-	-	-	-	-	-	
10040	Operating Transfers from/to Component Unit	-	-	-	-	29,010,845	(29,010,845)	-	-	-	-	-	-	
10050	Proceeds from Notes, Loans and Bonds	-	-	-	-	-	-	-	-	-	-	-	-	
10060	Proceeds from Property Sales	-	-	-	-	-	-	-	-	-	-	-	-	
10070	Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-	-	-	-	-	-	
10080	Special Items (Net Gain/Loss)	-	-	-	-	140,500	-	140,500	-	140,500	14,637,897	-	14,778,397	
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-	-	-	-	-	-	
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-	
10093	Transfers between Program and Project - In	-	-	-	-	-	-	-	-	-	-	-	-	
10094	Transfers between Project and Program - Out	-	-	-	-	-	-	-	-	-	-	-	-	
10100	Total Other Financing Sources (Uses)	-	-	-	-	29,151,345	(29,010,845)	140,500	-	140,500	14,637,897	-	14,778,397	
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-	-	-	-	-	-	-	
	Beginning Net Position	(2,168,782)	-	71,284	75,783	117,819,154	(10,951,571)	350,010	104,845,868	104,845,868	298,913	1,195,000	106,339,781	
	Ending Net Position	\$ (3,062,759)	\$ 8,198	\$ 71,554	\$ 84,006	\$ 149,898,005	\$ (39,553,129)	\$ 350,010	\$ 107,445,875	\$ -	\$ 107,445,875	\$ 13,869,896	\$ 1,236,662	\$ 122,552,433

SINGLE AUDIT SECTION

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**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 Board of Commissioners
Housing Authority of the City of Alameda
Alameda, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the City of Alameda, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Alameda's basic financial statements and have issued our report thereon dated May XX, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Alameda'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 Housing Authority of the City of Alameda's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Alameda's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Alameda'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 Housing Authority of the City of Alameda's Response to Finding

The Housing Authority of the City of Alameda's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Housing Authority of the City of Alameda's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Bethesda, Maryland
May XX, 2021

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE

The Board of Commissioners
Housing Authority of the City of Alameda
Alameda, California

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Alameda's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Alameda's major federal programs for the year ended June 30, 2020. The Housing Authority of the City of Alameda's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the City of Alameda's major federal programs based on our audit of the types of compliance requirements referred to above.

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

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



Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the City of Alameda complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

Bethesda, Maryland
May XX, 2021

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

182

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-through Identification Number</u>	<u>Amount Passed to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development ("HUD"):				
Direct Programs:				
Housing Voucher Cluster:				
Housing Choice Vouchers	14.871	N/A	\$ -	\$ 32,202,771
COVID-19 Housing Choice Vouchers Administrative Fees	14.871	N/A	-	<u>350,010</u>
			-	32,552,781
Section 8 Moderate Rehabilitation -				
Single Room Occupancy	14.249	N/A	\$ -	\$ 237,669
Family Self-Sufficiency	14.896	N/A	-	<u>59,387</u>
			-	<u>32,849,837</u>
Pass-through from County of Alameda:				
Shelter Plus Care	14.238	CA0083L9T02710	-	<u>437,638</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ -</u>	<u>\$ 33,287,475</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020

1. The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the City of Alameda (the "Authority") under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "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.
2. The schedule of expenditures of federal awards is presented on the accrual basis of accounting.
3. The Authority did not pass-through any federal awards to subrecipients during the fiscal year ended June 30, 2020.
4. The Authority has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

SECTION I: SUMMARY OF AUDITOR'S RESULTS***Financial Statements***

Type of auditor's report to be issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiencies identified?	Yes
Noncompliance material to the financial statements?	No

Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
Housing Voucher Cluster	CFDA 14.871
Dollar threshold to distinguish between Type A and Type B programs	\$ <u>998,624</u>
Auditee qualified as low risk auditee?	No

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HOUSING AUTHORITY OF THE CITY OF ALAMEDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 2020-001: Significant Deficiency

Criteria: In accordance with AU-C Section 265, *Communicating Internal Control Related Matters*, when a deficiency or a combination of deficiencies in internal control is identified over financial reporting that is less severe than a material weakness yet important enough to merit attention by those charged with governance, a significant deficiency should be reported.

Condition: Significant adjustments were required to be made by both the Authority and auditor during the audit to conform the financial statements to accounting principles generally accepted in the United States of America ("U.S. GAAP").

Context: Several adjustments were required to accounts receivable, accrued liabilities, revenue, and expenses to conform the financial statements to U.S. GAAP.

Effect: Several accounts had incorrect balances prior to the start of the audit.

Cause: The Authority did not perform reconciliations on several accounts prior to start of the audit.

Auditor's Recommendations: The Authority should assess staffing needs based on the size and complexity of the Authority and develop a review process over the financial close and reporting process to ensure that it reconciles to supporting documentation and that it is reporting in accordance with U.S. GAAP. We further recommend that the Authority utilize a year-end checklist that would assist in closing the fiscal year timely and accurately.

Views of Responsible Officials: The Authority has made substantial improvements in its internal control and approval process from prior years. The Authority has expanded its existing year-end check list to ensure all material adjustments are incorporated to the unaudited financial data submission to HUD by the preliminary deadline and to the financial auditors when fieldwork begins. Segregation of duties between personnel and automated IT checks continue to be utilized.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None noted.

Housing Authority of the City of Alameda**Year End: June 30, 2020****Adjusting journal entries****Date: 7/1/2019 To 6/30/2020**

Number	Date	Name	Account No	Debit	Credit
AJE-001	6/30/2020	Accounts Receivable - HUD Other Projects	12200	264,323.00	
AJE-001	6/30/2020	HUD PHA Operating Grants	70600		-264,323.00
To adjust HAP balance.					
AJE-002	6/30/2020	Cash - Unrestricted	11100	46,304.00	
AJE-002	6/30/2020	Cash - Unrestricted	11100	77,862.00	
AJE-002	6/30/2020	Cash - Unrestricted	11100	1,211,036.00	
AJE-002	6/30/2020	Cash - Unrestricted	11100	285,954.00	
AJE-002	6/30/2020	Cash - Other Restricted	11300		-46,304.00
AJE-002	6/30/2020	Cash - Other Restricted	11300		-1,211,036.00
AJE-002	6/30/2020	Cash - Other Restricted	11300		-285,954.00
AJE-002	6/30/2020	Cash - Restricted for Payment of Current Liabiliti	11500		-77,862.00
Restricted cash entries.					
AJE-003	6/30/2020	Unearned Revenue	34200	71,862.00	
AJE-003	6/30/2020	Other Revenue	71500		-71,862.00
To record amortization of ground lease to agree to amortization schedule.					
AJE-004	6/30/2020	Long-term Debt, Net of Current - Capital Projects/	35100		-81,908.00
AJE-004	6/30/2020	Legal Expense	91700	81,908.00	
To adjust debt for debt issuance costs.					
AJE-005	6/30/2020	Other Assets	17400	670.00	
AJE-005	6/30/2020	Other Assets	17400	16,315.00	
AJE-005	6/30/2020	Other Assets	17400	39,330.00	
AJE-005	6/30/2020	Other Assets	17400	10,685.00	
AJE-005	6/30/2020	Deferred Outflow of Resources	20000	8,754.00	
AJE-005	6/30/2020	Deferred Outflow of Resources	20000	212,536.00	
AJE-005	6/30/2020	Deferred Outflow of Resources	20000	512,609.00	
AJE-005	6/30/2020	Deferred Outflow of Resources	20000	141,460.00	
AJE-005	6/30/2020	Accrued Pension and OPEB Liabilities	35700		-4,225.00
AJE-005	6/30/2020	Accrued Pension and OPEB Liabilities	35700		-89,537.00
AJE-005	6/30/2020	Accrued Pension and OPEB Liabilities	35700		-1,344,512.00
AJE-005	6/30/2020	Accrued Pension and OPEB Liabilities	35700		-107,445.00

Housing Authority of the City of Alameda**Year End: June 30, 2020****Adjusting journal entries****Date: 7/1/2019 To 6/30/2020**

AJE-005	6/30/2020	Deferred Inflow of Resources	40000	2,999.00	
AJE-005	6/30/2020	Deferred Inflow of Resources	40000	96,986.00	
AJE-005	6/30/2020	Deferred Inflow of Resources	40000	223,962.00	
AJE-005	6/30/2020	Deferred Inflow of Resources	40000		-24,056.00
AJE-005	6/30/2020	Employee Benefit contributions - Administrative	91500		-8,198.00
AJE-005	6/30/2020	Employee Benefit contributions - Administrative	91500		-236,300.00
AJE-005	6/30/2020	Employee Benefit contributions - Administrative	91500	443,516.00	
AJE-005	6/30/2020	Employee Benefit contributions - Administrative	91500		-12,180.00
AJE-005	6/30/2020	Employee Benefit Contributions - Tenant Services	92300	28,431.00	
AJE-005	6/30/2020	Employee Benefit Contributions - Tenant Services	92300		-2,064.00
AJE-005	6/30/2020	Employee Benefit Contributions - Ordinary Maintena	94500	96,664.00	
AJE-005	6/30/2020	Employee Benefit Contributions - Ordinary Maintena	94500		-6,400.00

To adjust pension and OPEB related
balances

FDS-001	6/30/2020	Accounts Payable - HUD PHA Programs	33100	73,831.00	
FDS-001	6/30/2020	Non-current Liabilities - Other	35300		-73,831.00

To reclass A/P HUD program into
non-current liabilities.

FDS-002	6/30/2020	Operating Transfers from/to Component Unit	10040		-2,300.00
FDS-002	6/30/2020	Other General Expenses	96200	2,300.00	

To reclass trivial amount out of
transfers and into operating expenses

PBC-001	6/30/2020	Cash - Unrestricted	11100		-122,825.00
PBC-001	6/30/2020	Other General Expenses	96200	122,825.00	

To reflect entry made by client to
reconcile cash at year end that did not make it into the unaudited REAC submission.

4,073,122.00 -4,073,122.00

Net Income (Loss) 2,600,007.00

3/4/2021

5:33 PM

 **J. Michael Stephens**
Partner
2 Bethesda Metro
Center, 11th Floor
Bethesda, Maryland
20814
TEL: 301.654.9000
E : mstephens@citrincooperman.com

CITRIN COOPERMAN'S Presentation of
**ALAMEDA HOUSING
AUTHORITY AUDIT
FOR THE YEAR ENDED
JUNE 30, 2020**

Board
Presentation –
May 19, 2021



MEETING AGENDA

PAGE 3 ● **Engagement Team**

PAGE 4 ● **Engagement Scope**

PAGE 5 ● **Audit Status**

PAGE 6 ● **Review of Financial Statements
and related Reports**

PAGE 11 ● **Required Communications to the
Board – SAS 114**

PAGE 15 ● **Questions**



Engagement Team

J. Michael Stephens, Engagement Partner

Ben Karlin, Manager

George Koutris and Steven Kessler, Staff



Engagement Scope

Audit of Alameda Housing Authority

Audit of Component Units

Single Audit in Accordance with Uniform
Guidance

Submission to REAC/HUD

Submission to Federal Audit
Clearinghouse

Preparation of Related Tax Returns



Audit Status

Presentation of Draft Reports today (No Expected Changes)

Finalize with **Acceptance** of Board

Submission to REAC by 6/30/2021

Submission to Federal Audit Clearinghouse by 6/30/2021



Review of Financial Statements and Related Reports



- Financial Statements
 - Unmodified opinion on Financial Statements
 - Changes in Disclosures In Current Year Related to COVID, Capital Asset Activity, Debt
 - Net Position increased by \$2.6 Million for the year ended June 30, 2020
 - Assets increased \$1.8 Million primarily due to increases in Due from Other Agencies (\$1.8MM), notes receivable (\$4.1MM), and deferred outflows (\$875K), offset by decreases in cash (\$3.2MM), accounts receivable (\$647K), and capital assets (\$1.2MM).

Review of Financial Statements and Related Reports



- Liabilities decreased \$510K primarily due to increases in accrued liabilities (\$232K), net pension liability (\$423K), offset by decreases in notes payable (\$1.1MM), tenant security deposits (\$104K),
- Net Position increased \$2.6MM compared to an increase of \$39.2MM in FY2019 due to the land contribution in the prior year. The increase is due to operating income of \$3.1MM and interest income of \$434K, offset by interest expense of \$1.1MM
- Changes in components of net position consisted of a decrease in invested in capital assets of \$111K, a decrease in restricted net assets of \$362K, and an increase in unrestricted of \$3.1MM
- **HAP Revenue and Expenses are eliminated for AHA owned properties**

Review of Financial Statements and Related Reports



- Total revenues decreased \$34.1MM due to the land contribution (\$36.2MM) in the prior year. Other changes include an increase in grants of \$3.2MM, a decrease in other income of \$895K and a decrease in interest income of \$178K
- Total expenses increased \$2.3MM primarily due to increases in Housing Assistance Payments (\$528K), administration (\$1.1MM), and maintenance (\$524K)
- Most disclosures are consistent with prior years as the Authority was not impacted by any new accounting pronouncements in the current year. New standard on Leases was extended but there are additional disclosure related to COVID and HUD COVID funding is identified on SEFA. Additional items were broken out or expanded based on REAC comments and to provide additional disclosure.

Review of Financial Statements and Related Reports



Single Audit

- Unmodified Opinion on single audit compliance (we do not opine on internal controls)
- Report on Internal Control has one finding related to adjusting entries required. Repeat from prior year but reduced to a significant deficiency from a material weakness based on improvements made
- Report on Compliance has no findings reported which is consistent with prior years
- Tested Housing Choice Voucher Program cluster as Major Program in current year

Review of Financial Statements and Related Reports



Single Audit Finding Response from Management

The Authority has made substantial improvements in its internal control and approval process from prior years. The Authority has expanded its existing year-end check list to ensure all material adjustments are incorporated to the unaudited financial data submission to HUD by the preliminary deadline and to the financial auditors when fieldwork begins. Segregation of duties between personnel and automated IT checks continue to be utilized.

REQUIRED COMMUNICATIONS TO THE BOARD

Communications Required Under SAS 114

- Auditor responsibilities under generally accepted auditing standards
- Scope and timing of audit
- Other findings from audit
 - Accounts payable not accrued
 - Interfund activity
 - Treatment of insurance proceeds





Required Communications to the Board

Communications Required Under SAS 114

- Qualitative aspects of significant accounting policies
- Accounting estimates include allowance for doubtful accounts, depreciation, and amortization
- Significance of financial statements disclosures
- Significant difficulties encountered during the audit
- Corrected and uncorrected misstatements
 - Corrected misstatements related to accounts receivable, cash, unearned revenue, transfers, and pension and OPEB



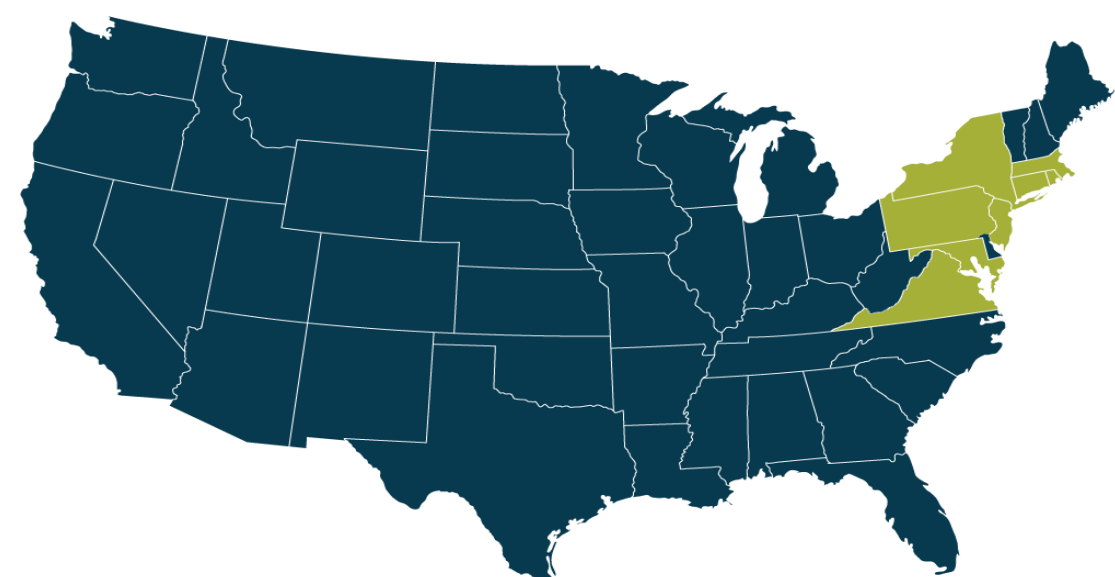
Required Communications to the Board

Communications Required Under SAS 114

- Uncorrected misstatements related to
 - Interfund activity, accounts payable, and security deposits
- There were no disagreements with management
- There were no management consultations with other accountants
- No significant issues discussed with management
- Independence
- Management representations

WHO WE ARE

ABOUT CITRIN COOPERMAN



LOCATIONS:

United States:

- Norwalk, CT
- Bethesda, MD
- Braintree, MA
- Woburn, MA
- Livingston, NJ
- Melville, NY
- New York, NY
- White Plains, NY
- Providence, RI
- Philadelphia, PA
- Tysons, VA

International:

- London, England
- Ahmedabad, India
- Cayman Islands



MORE THAN

1000

PARTNERS AND STAFF



ACCOLADES

Best Accounting Firms to Work For - **Accounting Today**

Best Places to Work in CT - **Hartford Business Journal**

9th Largest Accounting Firm in the NY Metro Area - **Crain's New York Business**

Best Places to Work in PA - **Central Penn Business Journal**

Best Places to Work in NJ - **NJBIZ**

About Citrin Cooperman: Citrin Cooperman is among the largest, full-service assurance, tax, and business advisory firms in the United States, having steadily built its business serving a diverse and loyal clientele since 1979. Our daily mission is to help our clients “focus on what counts.” Rooted in our core values, we provide a comprehensive, integrated business approach to traditional services, which includes proactive insights throughout the lifecycle of our clients wherever they do business, across the globe. Citrin Cooperman is an independent firm associated with Moore Stephens International Limited.



J. Michael Stephens

Partner

2 Bethesda Metro

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Bethesda, Maryland

20814

TEL: 301.654.9000

E : mstephens@citrincooperman.com

QUESTIONS?

THANK YOU!





Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Daniel Mills, Management Analyst

Date: May 19, 2021

RE: Accept 2020 Annual Customer Survey Presentation

BACKGROUND

Since 1993, the Housing Authority of the City of Alameda has conducted an annual survey to measure customer satisfaction. The survey questionnaire has been revised over the years to best meet this goal. From November 2020 through January 2021, the Housing Authority conducted its 2020 survey.

FINANCIAL IMPACT

For information only and there is no financial impact.

RECOMMENDATION

Accept the Presentation of the 2020 Annual Customer Survey.

Respectfully submitted,

DocuSigned by:
Daniel Mills
C6C32B1EB05D41E...

Daniel Mills
Senior Management Analyst

Exhibits(s):

- A. Presentation – Customer Survey 2020
- B. Questionnaire – Property Operations
- C. Questionnaire – Housing Choice Voucher
- D. Questionnaire – Landlord
- E. Distribution and Return Rates of Survey Questionnaires





1

AT A GLANCE

The Annual Survey

- Survey conducted since 1993
- Standardized format for the last 10 surveys
- Categories: Tenants, Landlords, and Program Participants
- Randomized Sample Sizes:
 - 33% of all Tenants
 - 33% of all Landlords
 - 33% of all Program Participants
- Customized survey for each category

2

2

Tenants

- 5 property feedback questions

Program Participants

- 3 health crisis questions

Landlord

- 6 customer service questions
- 5 technology usage questions
- Prompt for additional comments

SURVEY DIMENSIONS

THREE DIFFERENT QUESTIONNAIRES

- All surveys: 6 customer service questions
- All surveys: 5 technology usage questions
- All surveys: Prompt for additional comments/feedback
- Tenants and Program Participants Only: 3 new questions regarding health crisis
- Tenants Only: 5 questions regarding property feedback

Housing Authority of the City of Alameda 3

3

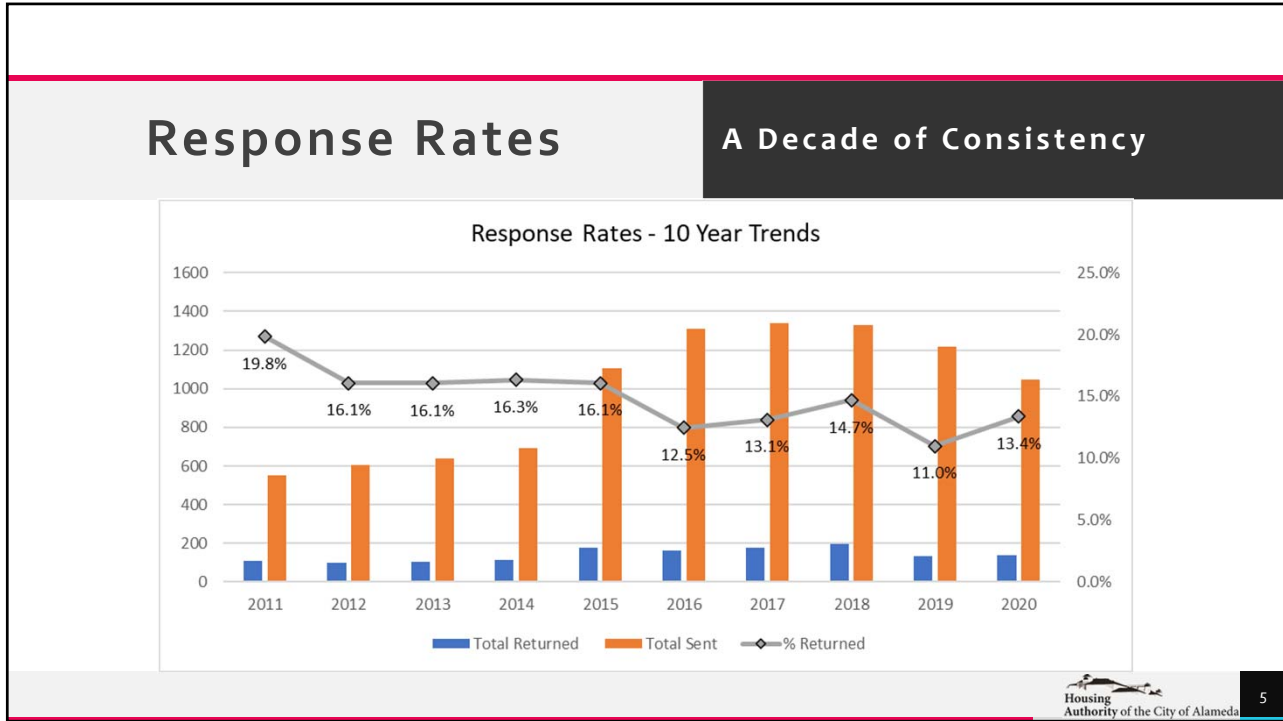
2020 Unique Impacts on Survey Results

This year's survey reflects the special circumstances, both internal and external, that significantly impacted the Authority:

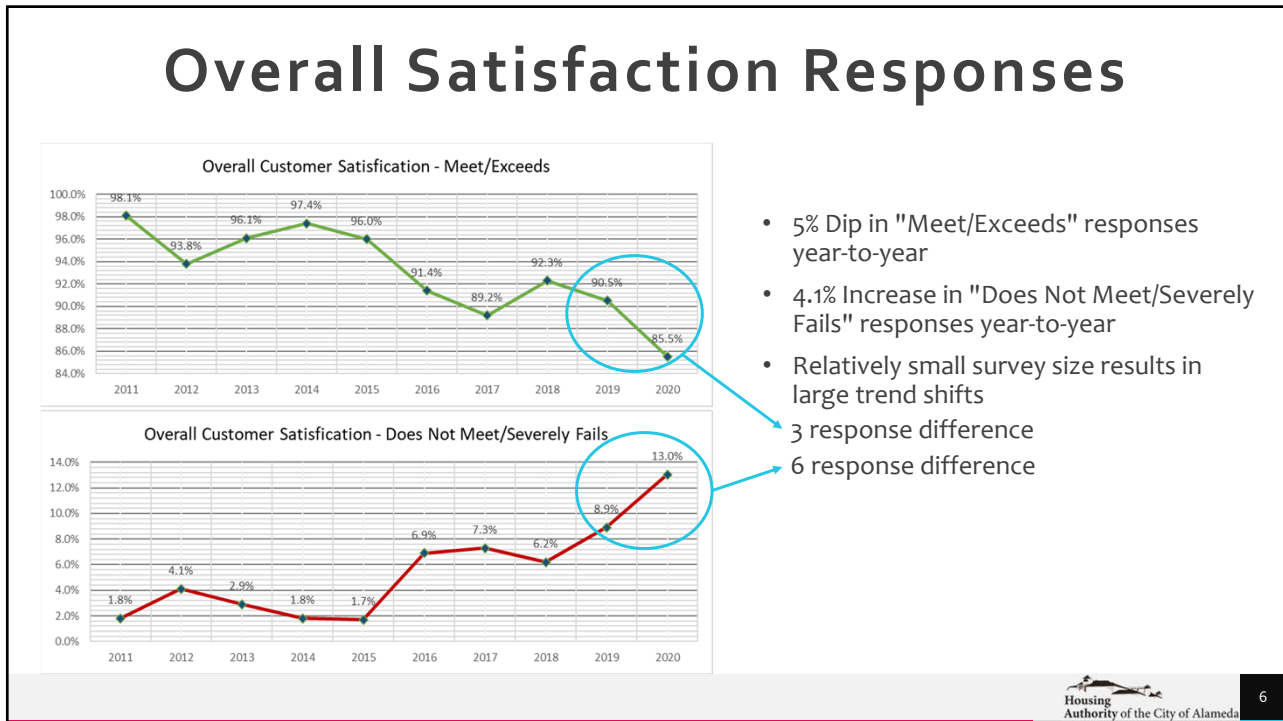
- Health crisis effects on all aspects of service
- Quarantine requirements limited operations
- Extraordinary staff turnover and absenteeism
- Transference of units to John Stewart may have created perceived drop in service

Housing Authority of the City of Alameda 4

4



5



6

Customer Service Dimensions

Feedback

- Drop in "Meet/Exceeds" for all dimensions year-to-year
- Largest drop in "Staff Responsiveness"
- Keep in mind COVID-19 factors, such as staff turnaround and absenteeism

Overall Customer Service - Year to Year Comparison - Meets and Exceeds Responses

Dimension	2019 (%)	2020 (%)
Overall Service Quality	90.5%	85.5%
Staff Responsiveness	86.7%	80.4%
Ability to Reach Staff	81.7%	79.0%
Return of Phone Calls	80.9%	77.9%
Staff Politeness	93.4%	88.4%
Staff Knowledge	88.9%	85.7%

7

7

Tenant Dimensions

Feedback

- Drop in "Meet/Exceeds" for all dimensions year-to-year
- Largest drop in "Maintenance of Complex"
- COVID-19 impacted access to properties, units, and vendor services


Feedback from Residents - Year to Year Comparison Meets and Exceeds Responses

Dimension	2019 (%)	2020 (%)
Complex Appearance	86.5%	80.6%
Maintenance of Complex	94.0%	80.2%
Maintenance of Unit	91.0%	84.6%
Safety in Unit	92.6%	90.1%
Safety in Complex	89.6%	82.4%

8

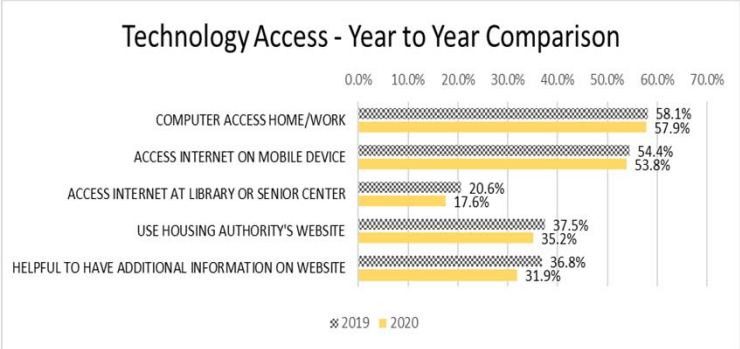
8

Access and Utilization of Technology




- Down slightly overall
- Mobile access down for the first time in the last 10 surveys
- Website positivity at it's lowest since 2014
- Customers often rely on friends and family for technology assistance, impacted by COVID-19
- Social Services partner outreach, Authority sites vs. private markets

Technology Access - Year to Year Comparison



Category	2019 (%)	2020 (%)
COMPUTER ACCESS HOME/WORK	58.1%	57.9%
ACCESS INTERNET ON MOBILE DEVICE	54.4%	53.8%
ACCESS INTERNET AT LIBRARY OR SENIOR CENTER	20.6%	17.6%
USE HOUSING AUTHORITY'S WEBSITE	37.5%	35.2%
HELPFUL TO HAVE ADDITIONAL INFORMATION ON WEBSITE	36.8%	31.9%

※ 2019 ■ 2020

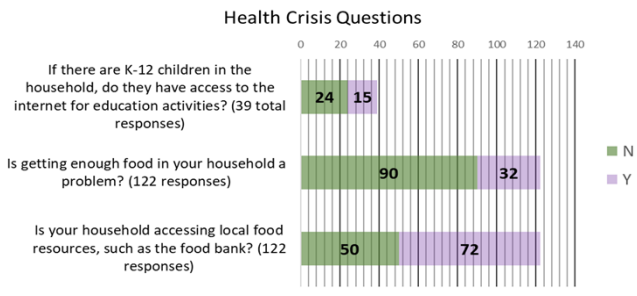

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Health Crisis Dimensions


THREE QUESTIONS UNIQUE FOR 2020

Health Crisis Questions



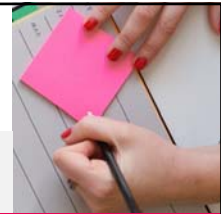
Question	N	Y
If there are K-12 children in the household, do they have access to the internet for education activities? (39 total responses)	24	15
Is getting enough food in your household a problem? (122 responses)	90	32
Is your household accessing local food resources, such as the food bank? (122 responses)	50	72

- 62% of respondents with K-12 children in the household **do not** have internet access for education.
- 74% of respondents are getting "enough" food.
- 59% of respondents are **utilizing** local food resources.


10

10

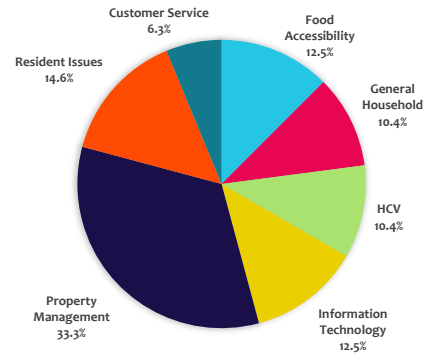
Additional Comments and Feedback



More Comments from Our Respondents for 2020

- 17 different respondents provided comments
- A major increase from 8 respondents year-to-year
- The majority (47%) were received from Independence Plaza, which is a consistent trend and reflective of the response rate for that complex.

Comment Breakdown by Category



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2020 CUSTOMER SURVEY SUMMARY

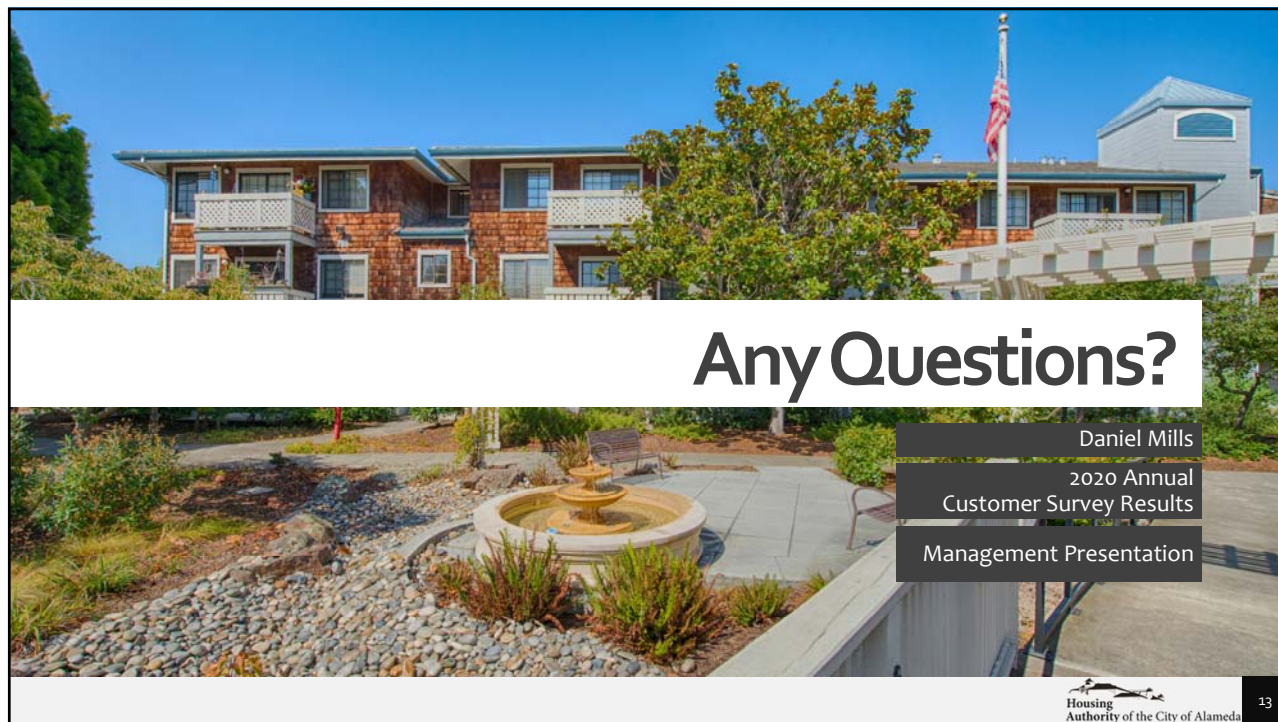
Notable Results, Year-to-Year:

- The number of surveys distributed, and response rates, are consistent with previous years .
- A slight negative trend regarding how the respondents viewed the Authority and its services.
- Overall quality of service positive feedback decreased by 5% while negative feedback increased by 4.1%.
- Overall customer service positive feedback across 6 dimensions decreased by 4.2%.
- Resident Customers regarding their complexes: Positive Response decreased by 7.1%.
- The number of respondents submitting additional comments were doubled.

Attributing Factors to Consider:

- Staff turnover and absenteeism diminished our overall customer responsiveness.
- Organizational changes, due to the health crisis and staffing issues, took time to optimize and involved all aspects of our organization.
- COVID-19 restrictions impeded our access to units and required new procedures that took time for development.
- The same restrictions limited our usage of property operations vendors.
- Transferring units to John Stewart created unwelcome changes with some customers and a perceived drop-off in customer satisfaction in those locations.

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Housing Authority of the City of Alameda

701 Atlantic Avenue, Alameda, California 94501-2161 - TDD: (510) 522-8467 - FAX: (510) 522-7848 - TEL: (510) 747-4300

HELP US TO SERVE YOU BETTER

Dear Housing Authority Customer:

Because we want to provide the best possible service to our customers, we would appreciate your comments about the service you have received over the **last 12 months**. Please take a few minutes to tell us how well we did our job by checking the box that best matches the service that you received. Did service Greatly Exceed, Exceed, Meet, Did Not Meet, or Severely Fail to meet your expectations? You do not need to give your name. Just drop this form in the mail, fax it, email it, or bring it by the Housing Authority and put it in the drop box. Thank you for your help!

PLEASE CHECK THE BOX THAT BEST DESCRIBES YOUR EXPECTATIONS:

	Greatly Exceeds	Exceeds	Meets	Does Not Meet	Severely Fails
1. Overall, how would you rate the quality of service you received?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Overall, how would you rate the responsiveness of staff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. How would you rate the ability to reach the staff person that you want to see or talk with?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. How would you rate the time in which phone calls were returned?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. How would you rate staff's politeness?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. How would you rate staff's ability to answer your questions about housing programs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. How would you rate the appearance of your apartment complex?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. How would you rate the maintenance of your apartment complex?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. How would you rate the maintenance of your apartment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. How would you rate your feeling of safety when in your apartment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. How would you rate your feeling of safety when in the common areas of your apartment complex?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Continued Other Side)

The following are a few questions about your use of the Internet.

10. Do you have access to the Internet at home or work? YES NO
11. Do you have access to the Internet on a mobile device such as an iPhone or tablet? YES NO
12. Have you ever accessed the Internet from the Library or the Senior Center? YES NO
13. Have you ever visited the Housing Authority's web site at **www.alamedahsg.org**? YES NO
14. Would you find it helpful to have additional information or forms available on the Housing Authority's web site? Please use back of form for details. YES NO
15. Please include any additional comments. You may use back of form or include other sheets.

The following are a few additional questions related to the recent health crisis:

- A. If there are K-12 children in the household, do they have access to the internet for education activities? YES NO N/A
- B. Is getting enough food in your household a problem? YES NO
- C. Is your household accessing local food resources, such as the food bank? YES NO

PLEASE RETURN COMPLETED SURVEY BY FRIDAY, JANUARY 15, 2021**4 DIFFERENT WAYS TO SEND US THE COMPLETED SURVEY:**PLACE IN AHA DROP BOX AT *701 Atlantic Avenue, Alameda, CA 94501*FAX TO *(510) 922-0747*EMAIL TO *CUSTOMERSURVEY2020@ALAMEDAHSG.ORG*OR MAIL TO *PO Box 3199, Alameda, CA 94501***THANK YOU FOR YOUR HELP!**

<LOC>



Housing Authority of the City of Alameda

701 Atlantic Avenue, Alameda, California 94501-2161 - TDD: (510) 522-8467 - FAX: (510) 522-7848 - TEL: (510) 747-4300

HELP US TO SERVE YOU BETTER

Dear Housing Authority Customer:

Because we want to provide the best possible service to our customers, we would appreciate your comments about the service you have received over the **last 12 months**. Please take a few minutes to tell us how well we did our job by checking the box that best matches the service you received. Did service Greatly Exceed, Exceed, Meet, Did Not Meet, or Severely Failed to meet your expectations? You do not need to give your name. Just drop this form in the mail, fax it, email it, or bring it by the Housing Authority and put it in the drop box. Thank you for your help!

PLEASE CHECK THE BOX THAT BEST DESCRIBES THE SERVICE RECEIVED:

	Greatly Exceeds	Exceeds	Meets	Does Not Meet	Severely Fails
1. Overall, how would you rate the quality of service you received?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Overall, how would you rate the responsiveness of staff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. How would you rate the ability to reach the staff person that you want to see or talk with?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. How would you rate the time in which phone calls were returned?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. How would you rate staff's politeness?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. How would you rate staff's ability to answer your questions about housing programs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The following are a few questions about your use of the Internet.

5. Do you have access to the Internet from home or work?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
6. Do you have access to the Internet on a mobile device such as an iPhone or tablet?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
7. Have you ever accessed the Internet from the Library or the Senior Center?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
8. Have you ever visited www.alamedahsg.org , the Housing Authority's website?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
9. Would you find it helpful to have additional information or forms available on the Housing Authority's web site? Please use back of form for details.	YES <input type="checkbox"/>	NO <input type="checkbox"/>
10. Please include any additional comments. You may use back of form or include other sheets.		

The following are a few additional questions related to the recent health crisis:

A. If there are K-12 children in the household, do they have access to the internet for education activities?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
B. Is getting enough food in your household a problem?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	
C. Is your household accessing local food resources, such as the food bank?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	

PLEASE RETURN COMPLETED SURVEY BY FRIDAY, JANUARY 15, 2021 4 DIFFERENT WAYS TO SEND US THE COMPLETED SURVEY:

PLACE IN AHA DROP BOX AT 701 Atlantic Avenue, Alameda, CA 94501

FAX TO (510) 922-0747

EMAIL TO CUSTOMERSURVEY2020@ALAMEDAHSG.ORG

OR MAIL TO PO Box 3199, Alameda, CA 94501

THANK YOU FOR YOUR HELP!



<LOC>



Housing Authority of the City of Alameda

701 Atlantic Avenue, Alameda, California 94501-2161 - TDD: (510) 522-8467 - FAX: (510) 922-0746 - TEL: (510) 747-4300

HELP US TO SERVE YOU BETTER

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Because we want to provide the best possible service to our customers, we would appreciate your comments about the service you have received over the **last 12 months**. Please take a few minutes to tell us how well we did our job by checking the box that best matches the service that you received. Did service Greatly Exceed, Exceed, Meet, Did Not Meet, or Severely Failed to meet your expectations? You do not need to give your name. Just drop this form in the mail, fax it, email it, or bring it by the Housing Authority and put it in the drop box. Thank you for your help!

PLEASE CHECK THE BOX THAT BEST DESCRIBES YOUR EXPECTATIONS:

	Greatly Exceeds	Exceeds	Meets	Does Not Meet	Severely Fails
1. Overall, how would you rate the quality of service you received?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Overall, how would you rate the responsiveness of staff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. How would you rate the ability to reach the staff person that you want to see or talk with?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. How would you rate the time in which phone calls were returned?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. How would you rate staff's politeness?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. How would you rate staff's ability to answer your questions about housing programs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Please include any additional comments. You may use back of form or include other sheets.					

The following are a few questions about your use of the Internet.

A. Do you have access to the Internet at home or work?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
B. Do you have access to the Internet on a mobile device such as an iPhone or tablet?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
C. Have you ever accessed the Internet from the Library or the Senior Center?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
D. Have you ever visited www.alamedahsg.org , the Housing Authority's website?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
E. Would you find it helpful to have additional information or forms available on the Housing Authority's web site? Please use back of form for details.	YES <input type="checkbox"/>	NO <input type="checkbox"/>

PLEASE RETURN COMPLETED SURVEY BY FRIDAY, JANUARY 15, 2021

4 DIFFERENT WAYS TO SEND US THE COMPLETED SURVEY:

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THANK YOU FOR YOUR HELP!

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
DISTRIBUTION AND RETURN RATES OF SURVEY QUESTIONNAIRES
NOVEMBER 2020 THRU JANUARY 2021

TYPE OF CUSTOMER	PROP. CODE	TOTAL NO. CUSTOMERS	QUESTIONNAIRES DISTRIBUTED	PERCENT SURVEYED	NO. RETURNED (REPLY PERIOD)	PERCENT RETURNED
Anne B. Diamant Plaza	6010	65	58	89.2%	10	17.2%
China Clipper Plaza	JSCO	26	26	100.0%	2	7.7%
Everett Commons	JSCO	20	20	100.0%	1	5.0%
Littlejohn Commons	JSCO	31	31	100.0%	5	16.1%
Esperanza	JSCO	120	115	95.8%	9	7.8%
Independence Plaza	8100	186	166	89.2%	57	34.3%
Parrot Gardens	JSCO	8	8	100.0%	1	12.5%
Parrot Village	JSCO	50	50	100.0%	2	4.0%
Rosefield Village	JSCO	13	13	100.0%	1	7.7%
Scattered Sites	JSCO	30	30	100.0%	3	10.0%
SUBTOTAL MH PROGRAMS		549	517	94.2%	91	17.6%
Section 8 Prop. Owners						
VIA snail mail	LL-M	494	153	31.0%	10	6.5%
Section 8 Prop. Owners						
VIA e-mail	LL-E	0	0			
All S8 Prop. Owners		494	153	31.0%	10	6.5%
Section 8 participants*	7100 / 7300 / 7600 / 7700	1507	377	25.0%	37	9.8%
SUBTOTAL HCV PROGRAM		2001	530	26.5%	47	8.9%
TOTALS		2550	1047	41.1%	138	13.2%

Updated: 02/22/21



Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Tony Weng, Senior Project Manager

Date: May 19, 2021

Re: Accept the May Monthly Development Report for North Housing

BACKGROUND

The North Housing Project is the redevelopment of approximately 12 acres of land at the former Alameda Naval Air Station (NAS) at the site known as Coast Guard Housing. The Housing Authority is leading the development under a homeless accommodation conveyance, alongside partners Alameda Point Collaborative (APC) and Building Futures. On February 21, 2016, the Board authorized acceptance of the Quit Claim deed for conveyance of the property to the Housing Authority. On June 5, 2018, City Council approved the resolution for transfer of the North Housing site to the Housing Authority. North Housing successfully transferred to Housing Authority ownership on May 30, 2019. The Board approved the Agency's Vision for the North Housing site at its August 2019 meeting.

Please see previous monthly Board reports for project details prior to this month's update. Documentation of the master planning process may be found at www.northhousing.org.

DISCUSSION

The Development Plan was approved at the Special Planning Board Meeting on August 17, 2020 and the Tentative Map was approved at the City Council Meeting on September 15, 2020.

Work is moving ahead to prepare the site for development. Staff is processing draw #8 related to the demolition contract. The demolition work is complete and staff is discussing payment of retention and close-out with Carmel Partners.

Staff has continued discussions with our partners, APC and Building Futures, to update and refine the MOU. Staff is working with HKIT Architects and our partners on Block A which includes the first phase of 90 units of permanent supportive housing. Staff will present the latest design progress for Block A at today's Board of Commissioners meeting.

FINANCIAL IMPACT

In November 2020, the Board authorized a predevelopment loan of \$6,238,000 for costs associated with master planning, carrying costs, demolition, and pre-development work for the



Honorable Chair and
Members of the Board of Commissioners

May 19, 2021
Page 2 of 2 ²¹⁷

first 90 units of permanent supportive housing. Funds are being disbursed to ICD on an as-needed basis. The chart below summarizes expenses through April 2021.

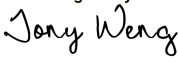
<u>North Housing</u>	<u>Total</u>
12 Acre Site Pre-Development (includes demolition)	\$3,536,376
First Building Pre-Development (90 units PSH)	\$39,981
Carrying Costs (see following for details)	\$444,243
Grand Total	\$,4,020,780

<u>North Housing Carrying Costs-Details</u>	
<i>Predevelopment Category</i>	<u>Total</u>
Classified Ads and Public Notices/outreach material	\$550
Furniture and Equipment - Fencing	\$141,650
Insurance - Other	\$4,293
Legal Expense	\$6,010
Office Supplies/Equipment	\$542
Prepaid - Other	\$7,286
Professional Services (Other)	\$17,208
Security, Landscape & Other Maintenance	\$236,198
Survey/Title Fee	\$29,785
Taxes & Government Fees	\$722
Grand Total	\$444,243

RECOMMENDATION

Accept the May Monthly Development Report for North Housing.

Respectfully submitted,

DocuSigned by:

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Tony Weng
Senior Project Manager

Attachment(s):

1. North Housing Development Update



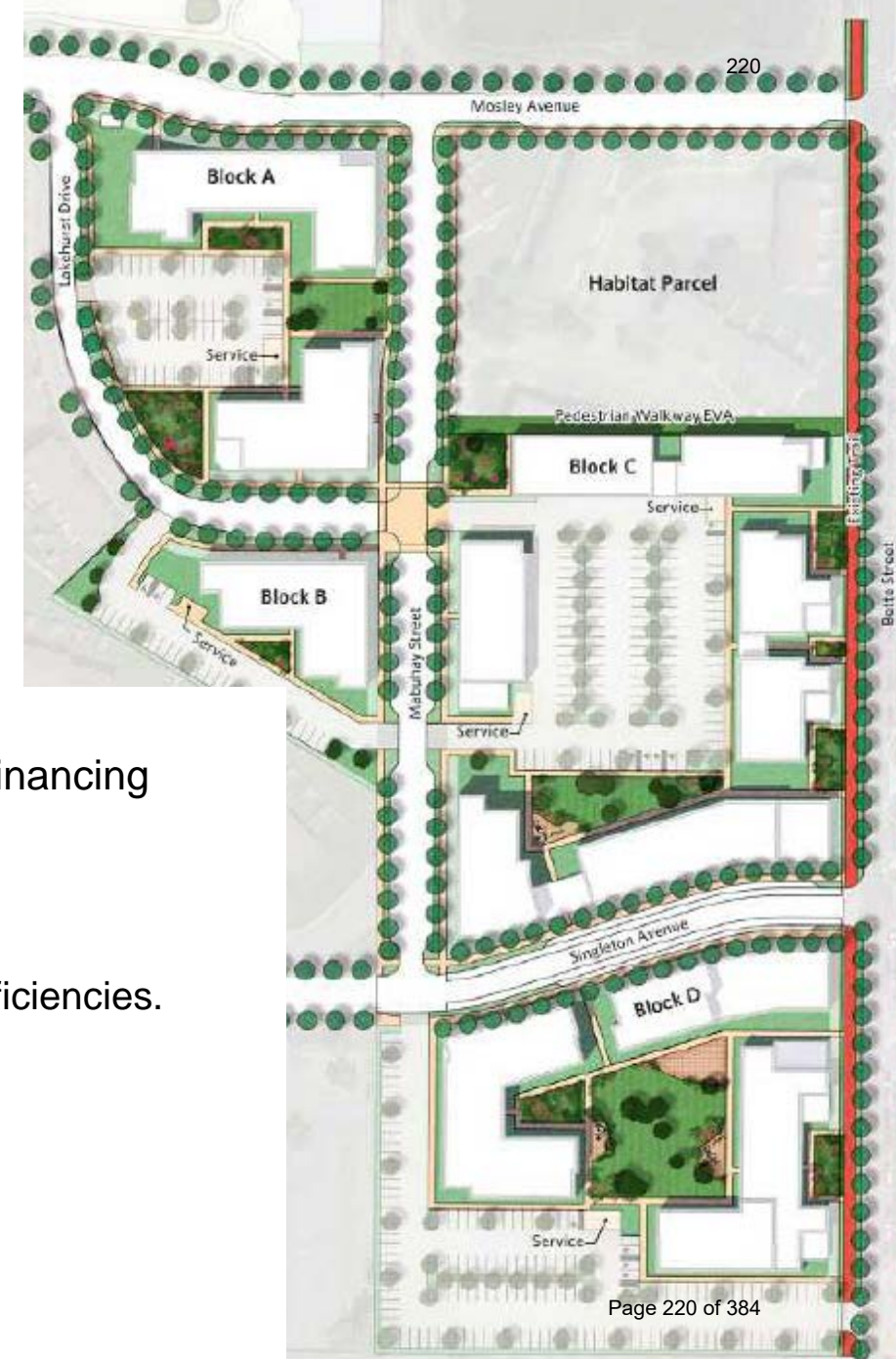




North Housing Post Demolition – May 2021

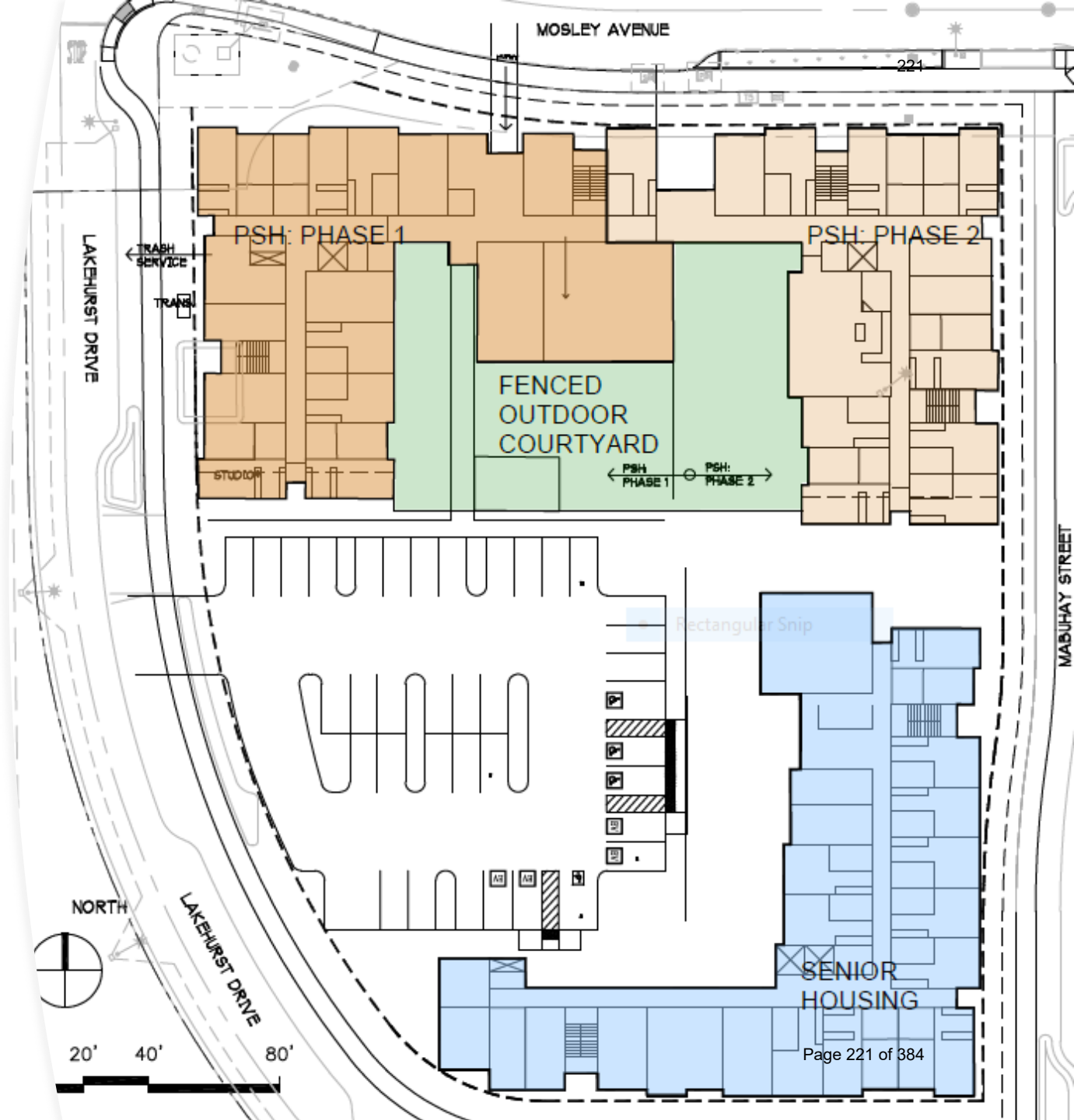
Block A - Design Update

- Two/Three Phases at Block A
 - 90 permanent supportive housing apartments (could be in two phases for financing feasibility)
 - 63 senior apartments
- Block A will be designed and permitted at the same time for design and cost efficiencies.
- HKIT is the project architect, and ICD will serve as the developer/sponsor.

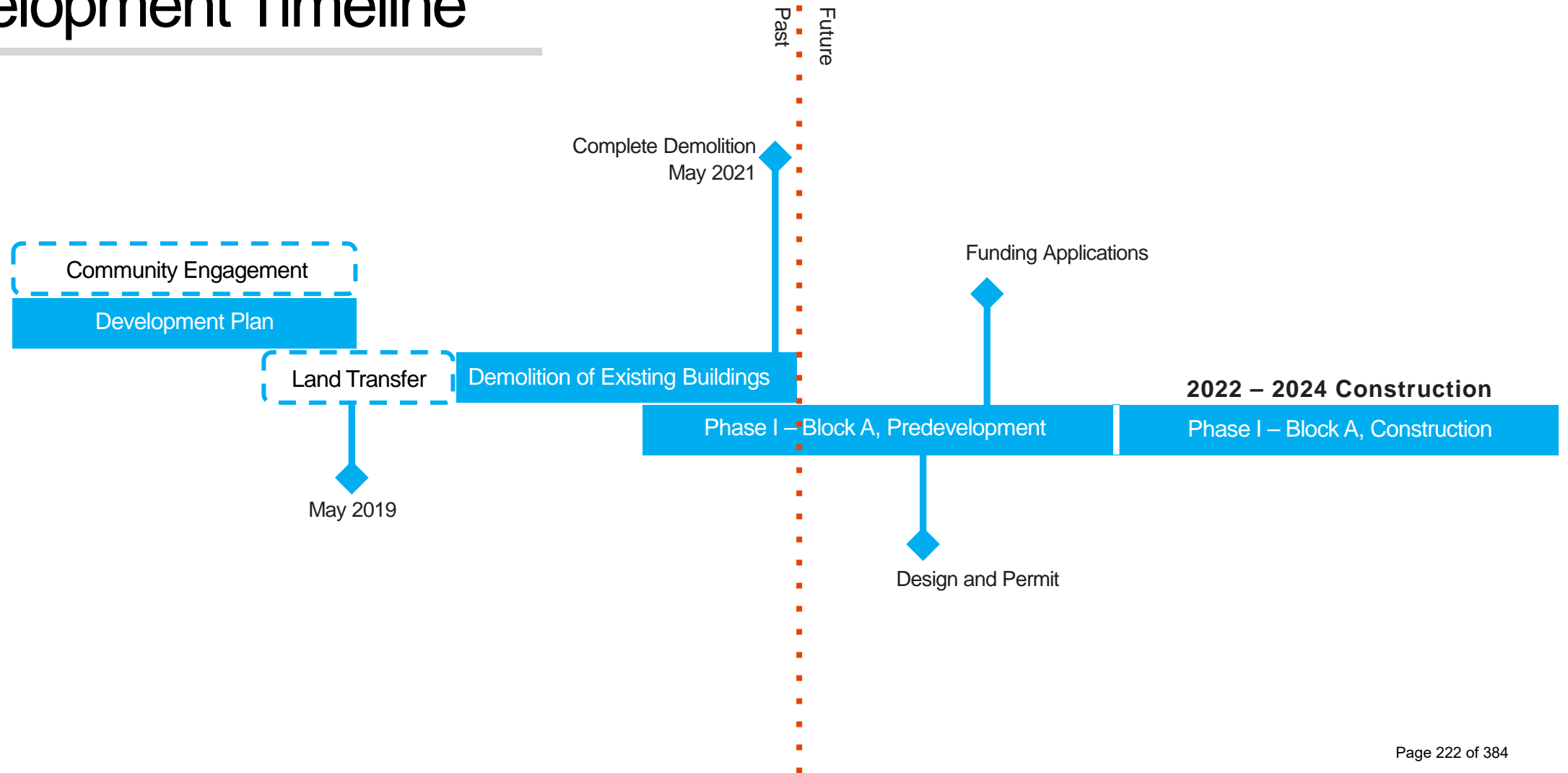


Block A - Design Update

- Two/Three Phases at Block A
 - 90 permanent supportive housing apartments (could be in two phases for financing feasibility)
 - 45 PSH units in Phase I
 - 24 studios
 - 20 one-bedrooms
 - 1 two-bedroom manager's unit
 - 46 PSH units in Phase II
 - 26 studios
 - 20 one-bedrooms
 - 63 senior apartments



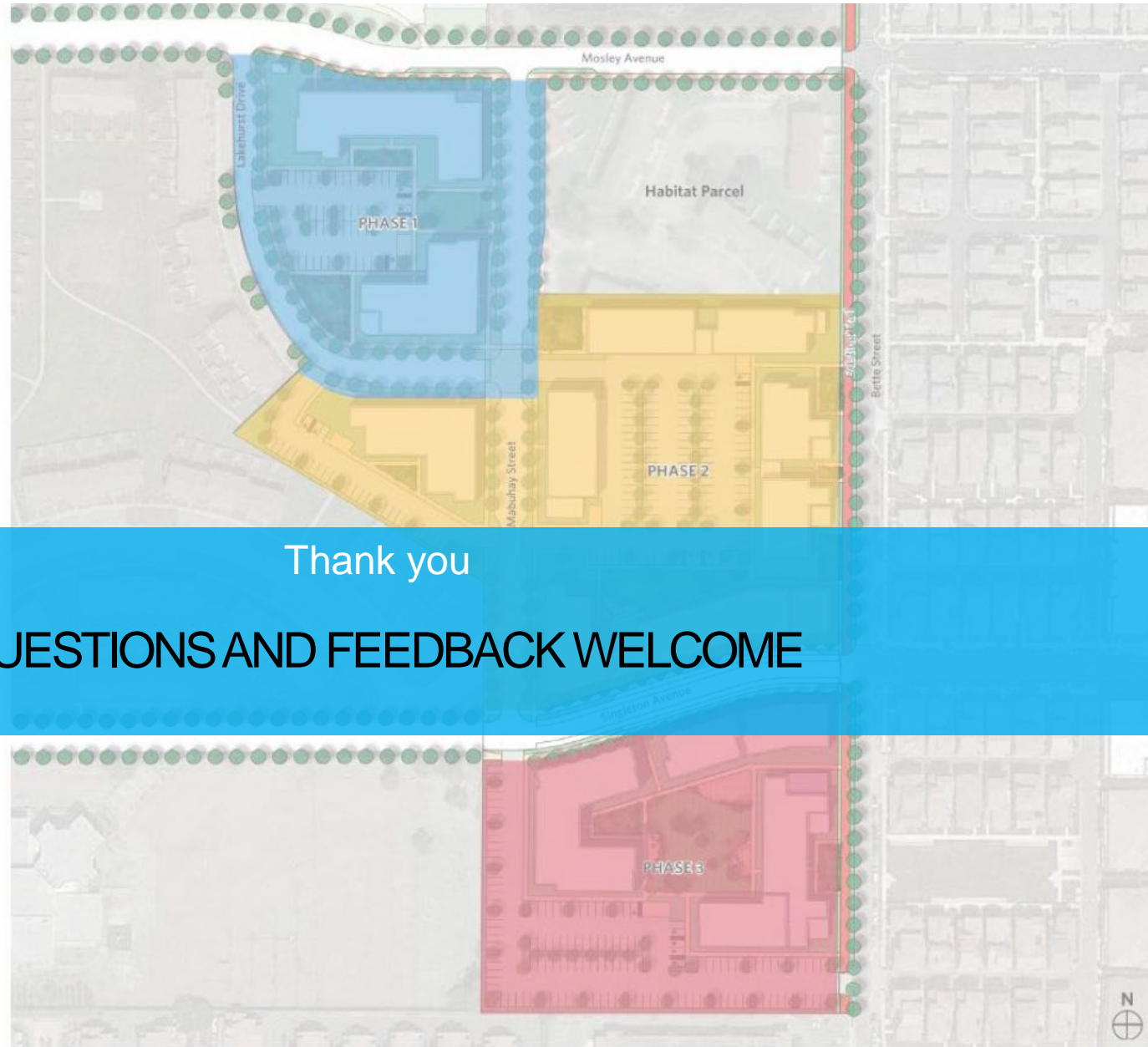
Block A Development Timeline




STAFF RECOMMENDATION

- Accept the monthly development update report

- Phase 1 Development
Completion Anticipated Summer 2024
- Phase 2 Development
Completion Anticipated Winter 2028
- Phase 3 Development
Completion Anticipated Winter 2030





**Housing
Authority of the City of Alameda**

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Sylvia Martinez, Director of Housing Development

Date: May 19, 2021

Re: Adopt Authorizing Resolutions for the Real Property Transfer of Properties to Alameda Affordable Housing Corporation, including Authority to Refinance Parrot and Eagle Village, Amend the Property and Asset Management Agreement and Authorize Executive Director, or Designee, to Negotiate and Execute Related Documents

BACKGROUND

The Housing Authority (AHA) is the contract administrator for the Section 8 program in the City of Alameda, which includes Housing Assistance Payment (HAP) contracts for both the Housing Choice Voucher (HCV) and Project Based Voucher (PBV) programs. Additionally, AHA owns real property which is assisted by the HCV and PBV programs.

In 2017, the U.S. Department of Housing and Urban Development (HUD) published PIH Notice 2017-21 that clarifies HAP contract requirements for Public Housing Authority-owned units. Attachment A, Section 5, of the Notice states: "Because the HAP contract administrator and the owner cannot be the same legal entity (i.e., the PHA acting as contract administrator cannot execute a contract with itself as the owner of the PBV or HCV units), the PHA must establish a separate legal entity to serve as the owner."

On October 18, 2017, the Board of Commissioners authorized the Executive Director to create a new, wholly controlled, nonprofit entity that will serve as owner of certain Housing Authority properties in order to comply with HUD's contracting requirements. This entity is Alameda Affordable Housing Corporation (AAHC). The governing Board of AAHC is the Board of Commissioners of the Housing Authority, as defined in the bylaws. On November 20, 2019, the Board authorized staff to prepare documents to transfer each of the Housing Authority owned properties to AAHC. The details of the specific transactions must come back to the Board for approval.

In 2018, AHA began the process of transferring various properties in its portfolio to AAHC. The remaining properties are expected to transfer as of 7/1/2021.

Properties to Transition (3):

- a. Esperanza
- b. Parrot Village
- c. Eagle Village

DISCUSSION

The successful transfer of the Properties from the Housing Authority to AAHC includes various cross departmental coordination across a number of months. The properties has existing debt that must also be transferred, including two Fannie Mae loans to transfer or refinance. Where possible, the properties will transfer only the improvements, and AHA will retain the land through a ground lease arrangement. However, in the properties with Fannie Mae loans, both the land and improvements must be transferred (similar to the transfer of Independence Plaza, executed last year). There are several soft lenders, including the City and County of Alameda, that will also have to approve the transfer and negotiate various assignments and assumptions of documents.

It is the strong preference of staff to transfer at the beginning of the fiscal year (7/1/21) for audit purposes.

Transfer Transaction

The Housing Authority will convey the Properties to AAHC through a grant deed. A reversion clause permitting a ground lease structure upon loan maturity will be added to the transaction via an Option Agreement, where it is not possible to do a ground lease initially. The Properties will be conveyed to AAHC, via Grant Deed, for as-is values substantiated by appraisal. The Housing Authority will provide seller financing in the form of a Seller Promissory Note, secured with a Deed of Trust. This loan will be at 0% interest rate, 30 year term, and paid from residual cash flow. This structure is more desirable than a donation because it is least disruptive to the Housing Authority's operating budget. Currently, any cash flow from the Properties comes to the Housing Authority as the owner. Under the new structure the cash flow will come to AHA in the form of soft loan payments.

In addition to the seller financing, the Housing Authority will record an Affordable Housing Agreement to provide additional assurance of the Properties' continued use as low-income housing. New household eligibility will be restricted to 80% of the Area Median Income for the term of 20 years.

Eagle and Parrot Village share a single mortgage which is eligible for refinancing without a prepayment penalty. The existing lender has offered a streamlined refinancing package based on their existing underwriting with very favorable returns – a lower interest rate (approx. 2.8% vs 6% existing), short-term with flexibility to exit early with no prepayment penalty and an accelerated closing to meet the 7/1/21 timeline. At this point, staff recommends pursuing this refinancing as part of the transfer transaction. A term sheet is attached. The cost of refinancing is comparable to the transfer and substantial funds are released to support the portfolio and pipeline, despite a conservative 1.5 debt service coverage ratio. Staff is requesting authority to refinance the two properties at a term no longer than seven years, with a balance of no more than \$9,300,000.

Budget

Currently, these properties are part of the Housing Authority's budget cycle and the Cost Allocation Plan. The AAHC budget for the Properties will follow the same Cost Allocation Plan methodology. This budget plan will be written into the Property and Asset Management Agreement between the Housing Authority and AAHC. In addition to the budget, any residual cash flow will come back to the Housing Authority through AAHC's obligations under the Seller Loan discussed above and subject to approval by the lender.

Currently, the Housing Authority maintains a replacement reserve for the Properties, invested with either CAMP or LAIF. As part of the transfer, replacement reserve funds in the amount of \$1,000/unit will be transferred to AAHC from AHA's LAIF replacement reserve account.

Additionally, AAHC will open a new bank account for the regular operating checking account. Security Deposits will be transferred to the existing AAHC Security Deposit account established with the 2018 transfer. The Housing Authority will no longer be the trustee of these funds for the Properties.

Property Management

Unlike previous transfers, all of these properties are already managed by John Stewart & Company, which will streamline some facets of the transfer. AAHC's property management contract is with AHA, which devolves its project-level management to John Stewart & Co. AHA already has a property and asset management services agreement with JSCo, and these Properties will be added to that contract by amendment. The proposed second amendment is attached to this report for approval.

FINANCIAL IMPACT

The seller note will be added to the AHA balance sheet, along with the corresponding loan obligations on AAHC's balance sheet. The net balance sheet impact will be eliminated on the audited financial statement. The Housing Authority will pay all expenses related to this real property transfer from the Properties' operating funds. Staff will provide a breakdown of the expected costs of the transfer as part of the Housing Department monthly report in June 2021.

RECOMMENDATION

Adopt Authorizing Resolutions for the Real Property Transfer of Properties to Alameda Affordable Housing Corporation, including Authority to Refinance Parrot and Eagle Village, Amend the Property and Asset Management Agreement and Authorize Executive Director, or Designee, to Negotiate and Execute Related Documents

Respectfully submitted,

DocuSigned by:
Sylvia Martinez
88FEDACB7D8D461...

Sylvia Martinez
Director of Housing Development

Attachment(s):

1. Term Sheet – Refinancing Eagle and Parrot Village
2. Authorizing Resolution for Esperanza
3. Authority Resolution for Parrot Village
4. Authorizing Resolution for Eagle Village
5. Amendment No. 2 to the Property and Asset Management Services Agreement



Eagle Village & Parrot Village - Preliminary Term Sheet

	1	2	3	4	5	6
Product Type	Fannie Mae	Fannie Mae	Fannie Mae	Fannie Mae	Fannie Mae	Fannie Mae
Loan Type	MAH	MAH	MAH	MAH	MAH	MAH
Interest Rate Type	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
Loan Term	5 Years	5 Years	5 Years	7 Years	7 Years	7 Years
Amortization	30 Years	30 Years	30 Years	30 Years	30 Years	30 Years
Prepayment Type	Yield Maintenance	3-yrs YM, then 0%	5%, 4%, 3%, 2%, 1%	Yield Maintenance	3-yrs YM, then 0%	2-yr Lockout, 5%, 4%, 3%, 2%, 1%
Prepayment Period	4.5 Year(s)	3 Year(s)	4.5 Year(s)	6.5 Year(s)	3 Year(s)	6.5 Year(s)
Interest Only Period	0 Year(s)	0 Year(s)	0 Year(s)	0 Year(s)	0 Year(s)	0 Year(s)
Interest Basis	Actual/360	Actual/360	Actual/360	Actual/360	Actual/360	Actual/360
Index	5-year Treasury	5-year Treasury	5-year Treasury	7-year Treasury	7-year Treasury	10-year Treasury
Current Index Rate	0.82%	0.82%	0.82%	1.27%	1.27%	1.27%
Estimated Spread	1.76%	2.02%	1.81%	1.41%	2.03%	1.49%
All-In Pay Rate	2.58%	2.84%	2.63%	2.68%	3.30%	2.76%
NOI Estimate	\$931,679	\$931,679	\$931,679	\$931,679	\$931,679	\$931,679
Estimated Cap Rate	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Estimated Value	\$16,900,000	\$16,900,000	\$16,900,000	\$16,900,000	\$16,900,000	\$16,900,000
Max. LTV	60%	60%	60%	60%	60%	60%
Max. Loan Amount - Max. LTV	\$10,140,000	\$10,140,000	\$10,140,000	\$10,140,000	\$10,140,000	\$10,140,000
Fixed Rate (or FRE)	2.58%	2.84%	2.63%	2.68%	3.30%	2.76%
Min. DSC - Fixed Rate (or FRE)	1.50x	1.50x	1.50x	1.50x	1.50x	1.50x
Max. Loan Amount - Fixed Rate (FRE)	\$12,962,903	\$12,531,944	\$12,878,395	\$12,794,672	\$11,818,546	\$12,662,330
Borrower Request	\$9,300,000	\$9,300,000	\$9,300,000	\$9,300,000	\$9,300,000	\$9,300,000
Max. Loan Amount	\$9,300,000	\$9,300,000	\$9,300,000	\$9,300,000	\$9,300,000	\$9,300,000
New Monthly P&I (Amortizing)	\$37,134	\$38,411	\$37,378	\$37,622	\$40,730	\$38,016

Estimated Uses/Costs	Refinance
Fannie Mae Delivery Fee	0.10% \$9,300
PNC Processing Fee	\$2,000
PNC Financing Fee	0.50% \$46,500
PNC Legal Fee	\$20,000
Fannie Mae Legal for Bond Payoff	\$5,000
Borrower Legal	\$20,000
Appraisal	\$5,000
Environmental Report	\$3,000
PCNA Report	\$5,000
Title & Recording	\$10,000
Misc.	\$2,000
Repairs	TBD
Current UPB	\$4,700,000
YM Estimate	\$0
Total Uses/Costs	\$4,827,800

Estimated Cash Out	\$4,472,200
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- Pricing and all loan terms are indicative only and is subject to change without notice. This transaction has not been formally quoted by Fannie Mae. All terms are based on preliminary underwriting and are subject to change based on final underwriting, interest rate movement, and acceptable Key Principal/Guarantor with credit and financial strength.

- This Preliminary Term sheet is not a commitment and does not create any obligation to make a loan on the part of PNC. The loan options detailed above are for discussion purposes only.

Attachment 2

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

Resolution No. _____**REAL PROPERTY TRANSFER****(Esperanza Apartments)**

WHEREAS, the Housing Authority of the City of Alameda, a public body, corporate and politic (the "**Authority**"), is the owner of that certain real property known as Esperanza Apartments, located at 201 Brush Street, in the City of Alameda, County of Alameda, California (the "**Property**");

WHEREAS, the Board of Commissioners of the Authority (the "**Board**") authorized staff to create a new nonprofit entity, Alameda Affordable Housing Corporation, a California nonprofit public benefit corporation (the "**Corporation**"), at the October 18, 2017 meeting, with the goal of having the Corporation own properties of the Authority with Housing Choice Vouchers and Project-Based Vouchers so that the Authority is not both the property owner and the contract administrator for the Housing Assistance Payments contracts (the "**HAP Contracts**");

WHEREAS, the Board deems it in the best interests of the Authority to remain property manager at the Property, or delegate that responsibility to a third party agent, through a Property and Asset Management Agreement;

WHEREAS, the Board deems it in the best interests of the Authority to convey the Property to the Corporation, thereby still maintaining the required separation between owner and contract administrator for the HAP Contracts;

WHEREAS, staff has contracted for an "as-is" property appraisal of the Property valued at Nineteen Million One Hundred Thousand and No/100ths Dollars (\$19,100,000.00);

WHEREAS, the Board deems it to be in the best interests of the Authority to assist in the acquisition of the Property by providing seller carryback financing for the sale in the amount of Nineteen Million One Hundred Thousand and No/100ths Dollars (\$19,100,000.00), secured by a recorded Deed of Trust, to be paid from no more than seventy-five percent (75.00%) of the cash flow of the Property;

WHEREAS, the Board deems it to be in the best interests of the Authority to include an Option Agreement with a reversion clause permitting a ground lease structure upon maturity of its Fannie Mae loan on July 1, 2044;

WHEREAS, the Board deems it to be in the best interests of the Authority to record a twenty (20)-year Affordable Housing Agreement against the Property (the

"**Affordable Housing Agreement**"), at the time of acquisition by the Corporation, to restrict occupancy to low-income households (80% of Area Median Income) at affordable rents;

WHEREAS, the Board deems it to be in the best interests of the Authority and the Property for the Authority to fund a replacement reserve to be held by the Corporation, at One Thousand and No/100ths Dollars (\$1,000.00) per unit, at the time of acquisition by the Corporation, and for the avoidance of doubt, such replacement reserve shall be held separate and apart from any lender-held replacement reserve under existing loans;

WHEREAS, the Board deems it to be in the best interests of the Authority to assign the existing Housing Choice Vouchers ("**HCV**") and Housing Assistance Payments ("**HAP**") contracts to the Corporation;

WHEREAS, the Board deems it to be in the best interests of the Authority to assign the Regulatory Agreement and Declaration of Restrictive Covenants in favor of HUD to the Corporation (the "**HUD Regulatory Agreement**"); and

WHEREAS, the Board deems it to be in the best interests of the Authority to execute and deliver, and to perform its obligations under, any and all documents or agreements necessary or advisable in furtherance of the acquisition by the Corporation of the Property, including, without limitation, the grant deed and any other document required to transfer the Property to the Corporation, the Authority seller loan documents and deed of trust, the Affordable Housing Agreement, the HAP assignment and contract, and any similar or related agreements for housing subsidies, assignment of regulatory agreements and loan documents, assignments of rents, leases, income and profits, and property management agreements and amendments, with the advice counsel, deemed to be consistent with the resolutions contained herein (collectively, the "**Property Transfer Documents**").

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves and authorizes the Authority to enter into the Property Transfer Documents and such other agreements, certificates, contracts, documents, and instruments deemed necessary to assist in the transfer of the Property and to complete all activities contemplated by this Resolution.

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to record a twenty (20)-year Affordable Housing Agreement against the Property at the time of sale to the Corporation;

BE IT FURTHER RESOLVED, that the Board hereby approves the seller carry back financing in the form of Seller Note and Deed of Trust for the Property based on the as-is value of Nineteen Million One Hundred Thousand and No/100ths Dollars (\$19,100,000.00), as substantiated by an appraisal;

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to capitalize a replacement reserve account for the Properties at One Thousand and No/100ths Dollars (\$1,000.00) per unit, totaling One Hundred Twenty Thousand and No/100ths Dollars (\$120,000.00);

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to assign the existing HCV and HAP contracts, and the HUD Regulatory Agreement, to the Corporation;

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to execute the Option Agreement, with a reversion clause permitting a ground lease structure upon loan maturity on or around July 2044;

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to negotiate, accept and execute the Property Transfer Documents subject to any minor conforming, technical or clarifying changes approved by the Executive Director, or her designee, and Authority counsel. The Executive Director, her designee, and the Secretary of the Authority are hereby further authorized and directed to take such further actions and execute and record such documents as are necessary to negotiate, accept and execute the Property Transfer Documents.

BE IT FURTHER RESOLVED, that all actions previously taken by the Authority, or its employees, officers and agents in connection with the Property or the transfer to the Corporation described herein are hereby ratified and approved.

[SIGNATURE PAGE FOLLOWS]

ATTEST:

Vanessa M. Cooper
Executive Director/Secretary

Kenji Tamaoki, Chair
Board of Commissioners

Adopted:

Date: May 19, 2021

Attachment 3

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

Resolution No. _____

REAL PROPERTY TRANSFER

(Parrot Village)

WHEREAS, the Housing Authority of the City of Alameda, a public body, corporate and politic (the "**Authority**"), is the owner of that certain real property known as Parrot Village, located at 1850 Wood Street, in the City of Alameda, County of Alameda, California (the "**Property**");

WHEREAS, the Board of Commissioners of the Authority (the "**Board**") authorized staff to create a new nonprofit entity, Alameda Affordable Housing Corporation, a California nonprofit public benefit corporation (the "**Corporation**"), at the October 18, 2017 meeting, with the goal of having the Corporation own properties of the Authority with Housing Choice Vouchers and Project-Based Vouchers so that the Authority is not both the property owner and the contract administrator for the Housing Assistance Payments contracts (the "**HAP Contracts**");

WHEREAS, the Board deems it in the best interests of the Authority to remain property manager at the Property, or delegate that responsibility to a third party agent, through a Property and Asset Management Agreement;

WHEREAS, the Board deems it in the best interests of the Authority to convey the Property to the Corporation, thereby still maintaining the required separation between owner and contract administrator for the HAP Contracts;

WHEREAS, staff has contracted for an "as-is" property appraisal of the Property valued at Six Million Five Hundred Thousand and No/100ths Dollars (\$6,500,000.00);

WHEREAS, the Board deems it to be in the best interests of the Authority to assist in the acquisition of the Property by providing seller carryback financing for the sale in the amount of Six Million Five Hundred Thousand and No/100ths Dollars (\$6,500,000.00), secured by a recorded Deed of Trust, to be paid from no more than seventy-five percent (75.00%) of the cash flow of the Property;

WHEREAS, the Board deems it to be in the best interests of the Authority to refinance the existing Fannie Mae loan with a new Fannie Mae loan of no more than \$9,300,000 and a term of no more than 7 years;

WHEREAS, the Board deems it to be in the best interests of the Authority to include an Option Agreement with a reversion clause permitting a ground lease structure upon maturity of its Fannie Mae loan;

WHEREAS, the Board deems it to be in the best interests of the Authority to record a twenty (20)-year Affordable Housing Agreement against the Property (the "**Affordable Housing Agreement**"), at the time of acquisition by the Corporation, to restrict occupancy to low-income households (80% of Area Median Income) at affordable rents;

WHEREAS, the Board deems it to be in the best interests of the Authority and the Property for the Authority to fund a replacement reserve to be held by the Corporation, at One Thousand and No/100ths Dollars (\$1,000.00) per unit, at the time of acquisition by the Corporation, and for the avoidance of doubt, such replacement reserve shall be held separate and apart from any lender-held replacement reserve under existing loans;

WHEREAS, the Board deems it to be in the best interests of the Authority to assign the existing Housing Choice Vouchers ("**HCV**") and Housing Assistance Payments ("**HAP**") contracts to the Corporation; and

WHEREAS, the Board deems it to be in the best interests of the Authority to execute and deliver, and to perform its obligations under, any and all documents or agreements necessary or advisable in furtherance of the acquisition by the Corporation of the Property, including, without limitation, the grant deed and any other document required to transfer the Property to the Corporation, the Authority seller loan documents and deed of trust, the Affordable Housing Agreement, the HAP assignment and contract, and any similar or related agreements for housing subsidies, assignment of regulatory agreements and loan documents, assignments of rents, leases, income and profits, and property management agreements and amendments, with the advice counsel, deemed to be consistent with the resolutions contained herein (collectively, the "**Property Transfer Documents**").

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves and authorizes the Authority to enter into the Property Transfer Documents and such other agreements, certificates, contracts, documents, and instruments deemed necessary to assist in the transfer of the Property and to complete all activities contemplated by this Resolution.

BE IT FURTHER RESOLVED, that the Board hereby approves the refinance of the existing Fannie Mae loan with a new Fannie Mae loan with a balance of no more than \$9,300,000 and a term of no more than 7 years, and authorizes the Executive Director, or her designee, to negotiate, accept, and execute documents for such loan;

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to record a twenty (20)-year Affordable Housing Agreement against the Property at the time of sale to the Corporation;

BE IT FURTHER RESOLVED, that the Board hereby approves the seller carry back financing in the form of Seller Note and Deed of Trust for the Property based on the as-is value of Six Million Five Hundred Thousand and No/100ths Dollars (\$6,500,000.00), as substantiated by an appraisal;

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to capitalize a replacement reserve account for the Properties at One Thousand and No/100ths Dollars (\$1,000.00) per unit, totaling Fifty-One Thousand and No/100ths Dollars (\$51,000.00);

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to assign the existing HCV and HAP contracts to the Corporation;

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to execute the Option Agreement, with a reversion clause permitting a ground lease structure upon loan maturity;

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to negotiate, accept and execute the Property Transfer Documents subject to any minor conforming, technical or clarifying changes approved by the Executive Director, or her designee, and Authority counsel. The Executive Director, any designee, and the Secretary of the Authority are hereby further authorized and directed to take such further actions and execute and record such documents as are necessary to negotiate, accept and execute the Property Transfer Documents.

BE IT FURTHER RESOLVED, that all actions previously taken by the Authority, or its employees, officers and agents in connection with the Property or the transfer to the Corporation described herein are hereby ratified and approved.

[SIGNATURE PAGE FOLLOWS]

ATTEST:

Vanessa M. Cooper
Executive Director/Secretary

Kenji Tamaoki, Chair
Board of Commissioners

Adopted:

Date: May 19, 2021

Attachment 4

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

Resolution No. _____

REAL PROPERTY TRANSFER

(Eagle Village)

WHEREAS, the Housing Authority of the City of Alameda, a public body, corporate and politic (the "**Authority**"), is the owner of that certain real property known as Eagle Village, located at 737 Eagle Avenue, in the City of Alameda, County of Alameda, California (the "**Property**");

WHEREAS, the Board of Commissioners of the Authority (the "**Board**") authorized staff to create a new nonprofit entity, Alameda Affordable Housing Corporation, a California nonprofit public benefit corporation (the "**Corporation**"), at the October 18, 2017 meeting, with the goal of having the Corporation own properties of the Authority with Housing Choice Vouchers and Project-Based Vouchers so that the Authority is not both the property owner and the contract administrator for the Housing Assistance Payments contracts (the "**HAP Contracts**");

WHEREAS, the Board deems it in the best interests of the Authority to remain property manager at the Property, or delegate that responsibility to a third party agent, through a Property and Asset Management Agreement;

WHEREAS, the Board deems it in the best interests of the Authority to convey the Property to the Corporation, thereby still maintaining the required separation between owner and contract administrator for the HAP Contracts;

WHEREAS, staff has contracted for an "as-is" property appraisal of the Property valued at Twelve Million Six Hundred Fifty Thousand and No/100ths Dollars (\$12,650,000.00);

WHEREAS, the Board deems it to be in the best interests of the Authority to assist in the acquisition of the Property by providing seller carryback financing for the sale in the amount of Twelve Million Six Hundred Fifty Thousand and No/100ths Dollars (\$12,650,000.00), secured by a recorded Deed of Trust, to be paid from no more than seventy-five percent (75.00%) of the cash flow of the Property;

WHEREAS, the Board deems it to be in the best interests of the Authority to refinance the existing Fannie Mae loan with a new Fannie Mae loan of no more than \$9,300,000 and a term of no more than 7 years;

WHEREAS, the Board deems it to be in the best interests of the Authority to include an Option Agreement with a reversion clause permitting a ground lease structure upon maturity of its Fannie Mae loan;

WHEREAS, the Board deems it to be in the best interests of the Authority to record a twenty (20)-year Affordable Housing Agreement against the Property (the "**Affordable Housing Agreement**"), at the time of acquisition by the Corporation, to restrict occupancy to low-income households (80% of Area Median Income) at affordable rents;

WHEREAS, the Board deems it to be in the best interests of the Authority and the Property for the Authority to fund a replacement reserve to be held by the Corporation, at One Thousand and No/100ths Dollars (\$1,000.00) per unit, at the time of acquisition by the Corporation, and for the avoidance of doubt, such replacement reserve shall be held separate and apart from any lender-held replacement reserve under existing loans;

WHEREAS, the Board deems it to be in the best interests of the Authority to assign the existing Housing Choice Vouchers ("**HCV**") and Housing Assistance Payments ("**HAP**") contracts to the Corporation;

WHEREAS, the Board deems it to be in the best interests of the Authority to assign the Affordable Housing Agreement in favor of the Community Improvement Commission to the Corporation (the "**CIC Affordability Covenant**"); and

WHEREAS, the Board deems it to be in the best interests of the Authority to execute and deliver, and to perform its obligations under, any and all documents or agreements necessary or advisable in furtherance of the acquisition by the Corporation of the Property, including, without limitation, the grant deed and any other document required to transfer the Property to the Corporation, the Authority seller loan documents and deed of trust, the Affordable Housing Agreement, the HAP assignment and contract, and any similar or related agreements for housing subsidies, assignment of regulatory agreements and loan documents, assignments of rents, leases, income and profits, and property management agreements and amendments, with the advice counsel, deemed to be consistent with the resolutions contained herein (collectively, the "**Property Transfer Documents**").

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves and authorizes the Authority to enter into the Property Transfer Documents and such other agreements, certificates, contracts, documents, and instruments deemed necessary to assist in the transfer of the Property and to complete all activities contemplated by this Resolution.

BE IT FURTHER RESOLVED, that the Board hereby approves the refinance of the existing Fannie Mae loan with a new Fannie Mae loan with a balance of no more than \$9,300,000 and a term of no more than 7 years, and authorizes the Executive Director, or her designee, to negotiate, accept, and execute documents for such loan;

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to record a twenty (20)-year Affordable Housing Agreement against the Property at the time of sale to the Corporation;

BE IT FURTHER RESOLVED, that the Board hereby approves the seller carry back financing in the form of Seller Note and Deed of Trust for the Property based on the as-is value of Twelve Million Six Hundred Fifty Thousand and No/100ths Dollars (\$12,650,000.00), as substantiated by an appraisal;

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to capitalize a replacement reserve account for the Properties at One Thousand and No/100ths Dollars (\$1,000.00) per unit, totaling Thirty-Six Thousand and No/100ths Dollars (\$36,000.00);

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to assign the existing HCV and HAP contracts, and the CIC Affordability Covenant, to the Corporation;

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to execute the Option Agreement, with a reversion clause permitting a ground lease structure upon loan maturity;

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to negotiate, accept and execute the Property Transfer Documents subject to any minor conforming, technical or clarifying changes approved by the Executive Director, or her designee, and Authority counsel. The Executive Director, her designee, and the Secretary of the Authority are hereby further authorized and directed to take such further actions and execute and record such documents as are necessary to negotiate, accept and execute the Property Transfer Documents.

BE IT FURTHER RESOLVED, that all actions previously taken by the Authority, or its employees, officers and agents in connection with the Property or the transfer to the Corporation described herein are hereby ratified and approved.

[SIGNATURE PAGE FOLLOWS]

ATTEST:

Vanessa M. Cooper
Executive Director/Secretary

Kenji Tamaoki, Chair
Board of Commissioners

Adopted:

Date: May 19, 2021

Attachment 5

**AMENDMENT NO. 2 TO THE PROPERTY AND
ASSET MANAGEMENT SERVICES AGREEMENT**

This Amendment of the Property and Asset Management Services Agreement made by and between Alameda Affordable Housing Corporation ("Owner"), and The Housing Authority of the City of Alameda, ("Agent"), is made with reference to the following:

RECITALS

A. On May 1, 2018, a Property and Asset Management Services Agreement was entered into by and between Alameda Affordable Housing Corporation ("Owner"), and The Housing Authority of the City of Alameda ("Agent"), for Property and Asset Management services for certain residential improved properties located in Alameda, California, commonly known as:

1. China Clipper Plaza, 460 Buena Vista Avenue (26 units);
2. Anne B. Diament, 920 Park Street (65 units);
3. Lincoln-Willow Apartments, 2101-3 Lincoln Avenue (5 units); and
4. Stanford House, 1917 Stanford Street (4 units);

B. On February 19, 2020, the Owner included an additional property and obtained the services of Agent for the purpose of managing and operating that certain residential property known as Independence Plaza located at 703 Atlantic Avenue in Alameda, California.

C. The original expiration date of the contract was June 30, 2020.

D. The effective date of the First Amendment was February 19, 2020 and the expiration date was extended to June 30, 2022.

E. Owner desires to include three additional properties and obtain the services of Agent for the purpose of managing and operating those certain residential properties known as:

1. Esperanza at 201 Brush Street, Alameda, CA
2. Eagle Village at 737 Eagle Avenue, Alameda, CA
3. Parrott Village at 1850 Wood Street, Alameda, CA

E. All conditions of the Consultant Agreement will remain the same except as amended below.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. The attached Exhibit A replaces in full the Exhibit A of the original 2018 Agreement, as amended by the First Amendment.

AMENDMENT NO. 2 TO THE PROPERTY AND ASSET MANAGEMENT SERVICES AGREEMENT

Page 2

2. The contract term shall be not be modified. The original Agreement term shall be in effect until June 30, 2022.

IN WITNESS WHEREOF, the parties hereto have caused this modification of the Property and Asset Management Services Agreement to be executed on the day and year first above written.

OWNER
Alameda Affordable Housing Corporation

AGENT
Housing Authority of the City of Alameda

Vanessa Cooper
Executive Director

Vanessa Cooper
Executive Director

EXHIBIT A

**FEES FOR PROPERTY MANAGEMENT, ASSET MANAGEMENT, AND
CONSULTING SERVICES**

Name of Firm: **The Housing Authority of the City of Alameda**

Properties Covered by this Proposed Schedule:

**China Clipper Plaza, 460 Buena Vista Avenue
Anne B. Diamant, 920 Park Street
Lincoln-Willow, 2101-3 Lincoln Avenue
Stanford House, 1917 Stanford Street
Independence Plaza, 703 Atlantic Avenue
Esperanza at 201 Brush Street
Eagle Village at 737 Eagle Avenue
Parrott Village at 1850 Wood Street**

These Properties are a part of the Housing Authority's annual budget cycle and the Cost Allocation Plan, approved by the Board of Commissioners of the Housing Authority of the City of Alameda. The budget for these Properties will follow the same Cost Allocation Plan methodology until such time that Board action changes this.

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa M. Cooper, Executive Director

Date: May 19, 2021

Re: Establish a Nominating Ad Hoc Committee for the Appointment of the Chair and Vice Chair of the Board of Commissioners for the Period of July 1, 2021 - June 30, 2022

BACKGROUND

Section 4 of the Rules and Procedures of the Housing Authority states: "The Chair and Vice Chair shall be elected by the Board of Commissioners from its membership at the first meeting after July 1 of each year when the Commission is fully constituted."

DISCUSSION

The Board is asked to appoint up to three Board members to constitute the ad hoc committee. This committee will report back to the Executive Director with recommendations no later than three weeks before the first meeting after July 1, 2021.

RECOMMENDATION

Establish a nominating ad hoc committee for the appointment of the Chair and Vice Chair of the Board of Commissioners for the period July 1, 2021 - June 30, 2022.

Respectfully submitted,



Vanessa M. Cooper
Executive Director



ALAMEDA AFFORDABLE HOUSING CORPORATION

701 Atlantic Avenue, Alameda, CA 94501

To: Board of Directors

From: Louie So, Director of Finance

Date: May 19, 2021

Re: Accept Annual Report and Audited Financial Statements for the Housing Authority of the City of Alameda Showing AAHC's Financials as a Blended Component Unit

BACKGROUND

Alameda Affordable Housing Corporation (AAHC) was formed as a supporting corporation of the Housing Authority of the City of Alameda (AHA). It is wholly controlled by AHA and exists as a title holding company for five properties as of June 30, 2020. For audit purposes, these two entities are designated as blended components and their financials are presented as combined. AAHC does not have separate audited financial statements. The Board of Directors of AAHC is comprised of the Board of Commissioners of AHA. This memo also serves as the annual report.

DISCUSSION

The financial statements of the Housing Authority of the City of Alameda for the fiscal year ending June 30, 2020, were prepared in the format prescribed by the requirements of Government Accounting Standards Board Statement 34 (GASB 34).

The firm of Citrin Cooperman & Company LLP, produced the audited financial statements of the Housing Authority for the fiscal year ending June 30, 2020. This incorporates the audited statements for Island City Development (ICD), which is presented as a discrete component. AHA's nonprofit affiliate, the Alameda Affordable Housing Corporation (AAHC), is a blended component with AHA and is not presented separately.

The auditors, Citrin Cooperman & Company, LLP, opined that the financial statements present fairly, in all material respects, the financial position of the Housing Authority of the City of Alameda as of June 30, 2020. The respective changes in financial position and cash flows for the year ended are in conformity with accounting principles generally accepted (GAAP) in the United States of America.

As described in the AHA memorandum "Accept the Audit report for Fiscal Year Ending



June 30, 2020,” from the Fiscal Year 2017 through Fiscal year 2019 audited financial statements, the auditors have reported that the Housing Authority has had a material weakness in its financial reporting. A material weakness is defined as a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis.

For the Fiscal Year 2020, the auditors have reported an improvement in financial reporting which is less severe than a material weakness as the deficiency is unlikely to have a material impact on the financial statements. However, this deficiency does merit attention to the Board of Commissioners for oversight of the agency’s financial reporting. The deficiency finding is primarily driven by journal entries provided by both Finance staff and audit staff to conform the financial statements to accounting standards.

FISCAL IMPACT

For information only.

RECOMMENDATION

Accept Annual Report and Audited Financial Statements for the Housing Authority of the City of Alameda showing AAHC’s financials as a blended component unit.

Respectfully submitted,

DocuSigned by:

CC6FAB3A8A824DA...

Louie So, CPA
Director of Finance

Attachment:

1. Draft Audited Financial Statement Report for Fiscal Year Ending June 30, 2020 including Adjusting Journal Entries Post Year End close



Attachment 1

**HOUSING AUTHORITY OF THE CITY OF
ALAMEDA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2020

Draft Copy

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
FOR THE YEAR ENDED JUNE 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Housing Authority of the City of Alameda
Alameda, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the fiduciary fund of the Housing Authority of the City of Alameda (the "Authority") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Island City Development, which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Island City Development, is based solely on the report of the other auditors. We did not audit the financial statements of OPEB Trust Fund, which represent 100 percent of the assets, net position, and revenues of the fiduciary fund. These financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for OPEB Trust, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the discretely presented component unit and the fiduciary fund were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and the fiduciary fund of the Housing Authority of the City of Alameda, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, and the pension and OPEB schedules on pages 49 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The financial data schedule on pages 49 through 54 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on page 63 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.



The financial data schedule and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the financial data schedule 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May XX, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 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.

Bethesda, Maryland
May XX, 2021

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REQUIRED SUPPLEMENTARY INFORMATION

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**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

This section of the Housing Authority of the City of Alameda's (the "Authority") annual financial report presents a discussion and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we furnished in our presentation to the Board of Commissioners.

The following management's discussion and analysis will discuss the results of the Authority's operations. Key financial information for the current fiscal year will be compared with that of the prior year.

Financial Highlights

- The assets and deferred outflows of the Authority exceeded its liabilities and deferred inflows at the close of fiscal year 2019 resulting in a net position of \$107,445,875 at June 30, 2020, as opposed to \$104,845,868 at June 30, 2019.
- Total assets and deferred outflows of resources at June 30, 2020, were \$142,914,855. Of this, \$32,249,801 represents current assets, \$108,283,988 represents noncurrent assets, and \$2,381,066 represents deferred outflows of resources. Total assets and deferred outflows of resources at June 30, 2019, were \$141,125,057.
- Capital assets, net of accumulated depreciation at June 30, 2020, increased by \$1,187,650 from \$78,069,727 at June 30, 2019, to \$76,882,077 at June 30, 2020. Capital assets are reflected at cost, less accumulated depreciation for all purchased capital assets.
- Total liabilities and deferred inflows of resources at June 30, 2020, were \$35,468,980. Of this, \$4,254,488 represents current liabilities, \$29,612,920 represents noncurrent liabilities, and \$1,601,572 represents deferred inflows of resources. Net position increased from \$104,845,868 at June 30, 2019, to \$107,445,875 at June 30, 2020, an increase of \$2,600,007.
- Total operating and non-operating revenues for the Authority for fiscal year 2020 were \$42,846,677 versus \$76,901,391 for fiscal year 2019; a decrease of \$34,054,714 as the land transfer of the 12 acres of land from the City of Alameda valued at \$36,197,725 in 2019 was a one time event. The primary sources of revenue for 2020 were governmental grants including Housing Choice Voucher Program (Section 8) Housing Assistance Payment ("HAP"), and rents collected from the Authority's owned units. For fiscal year 2020 and 2019, please note that \$7,580,220 and \$6,823,178, respectively, of HAP received from the U.S. Department of Housing and Urban Development ("HUD") to Authority-owned properties is eliminated from financial statement presentation, as these payments are paid to the Authority as landlord for Authority-owned properties.
- Total operating and non-operating expenses for the Authority for fiscal year 2020 were \$40,246,670 versus \$37,887,433 for fiscal year 2019; an increase of \$2,359,237. The major program expenditure, as reflected on the statement of revenues, expenses, and changes in net position, was for HAP. There was \$24,298,568 of HAP expenses for fiscal year 2020 versus \$23,770,961 in fiscal year 2019. For fiscal year 2020 and 2019, please note that \$7,580,220 and \$6,823,178, respectively, of HAP received from HUD and disbursed to landlords is eliminated from financial statement presentation, as these payments are paid to the Authority as landlord for Authority-owned properties.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Financial Highlights (continued)

- Operating revenues for the Authority for fiscal year 2020 were \$42,272,232 and operating expenses were \$39,140,756. Operating revenues and expenses for fiscal year 2019 were \$40,091,906 and \$36,752,757, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements, which are comprised of statements of net position, statements of revenues, expenses, and changes in net position, a statement of cash flows and notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements report information of the Authority as a whole, net of inter-program activity.

The *statement of net position* presents information on the Authority's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of revenues, expenses, and changes in net position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The *statement of cash flows* presents the change in the Authority's cash and cash equivalents during the most recent fiscal year.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some programs are required to be established by HUD. However, the Authority also administers other programs to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other moneys. All of the funds of the Authority are classified on the face of the financial statements as one enterprise housing fund as a result of Government Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

Enterprise funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The focus of enterprise funds is on income measurement, which together with the maintenance of equity, is an important financial indication.

Notes to the Basic Financial Statements

The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Component Unit

As is more fully described in Note 1, the government-wide financial statements include the financial information of Island City Development (a California Nonprofit Corporation), a discrete component unit of the Authority. A complete audited financial statement is separately issued for Island City Development and its subsidiary limited partnerships and limited liability companies, and may be obtained at the Authority's administrative offices located at 701 Atlantic Avenue, Alameda, California. In the fiscal year ended June 30, 2018, the Authority created a new blended component unit, Alameda Affordable Housing Corporation ("AAHC"). The financial statements for AAHC are not presented separately.

Fiduciary Fund

As is more fully described in Note 1, the Authority reports a fiduciary fund for its Other Post Employment Benefits ("OPEB") Trust Fund. The funds are held in a trust by the Authority for the beneficiaries of the OPEB plan.

Supplementary Information

The schedule of expenditures of federal awards, the pension and OPEB schedules, and the financial data schedule are presented for purposes of additional analysis as required by the GASB Statements, the Uniform Guidance at 2 CFR 200 Subpart F, and the requirements of HUD. These schedules can be found in the supplementary information sections of this report.

Financial Analysis

The Authority uses funds to help it control and manage money for particular purposes. A portion of the Authority's net position reflects the investment in capital assets (e.g., land, buildings and improvements, furniture, equipment and machinery), net of any debt incurred to finance the acquisition of those assets. The Authority uses these capital assets to provide services to clients; consequently, these assets are not available for future spending.

Budgetary Highlights

An agency-wide budget was prepared for the fiscal year ended June 30, 2020. The budget was primarily used as a management tool. Budgets are prepared in accordance with the accounting procedures prescribed by the applicable funding agency and revised during the year as appropriate.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

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Comparative Statements of Net Position

The following table reflects the statement of net position at June 30, 2020, compared to the prior fiscal year. The Authority is engaged only in business-type activities.

**Housing Authority of the City of Alameda
Comparative Statements of Net Position
June 30, 2020 and 2019**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>\$ Variance</u>	<u>% Variance</u>
Current assets	\$ 32,249,801	\$ 34,295,478	\$ (2,045,677)	(5.96)%
Other noncurrent assets	31,401,911	27,254,145	4,147,766	15.22 %
Capital assets, net of accumulated depreciation	<u>76,882,077</u>	<u>78,069,727</u>	<u>(1,187,650)</u>	(1.52)%
Total assets	<u>140,533,789</u>	<u>139,619,350</u>	<u>914,439</u>	0.65 %
Deferred outflow of resources	<u>2,381,066</u>	<u>1,505,707</u>	<u>875,359</u>	58.14 %
Current liabilities	4,254,488	3,911,700	342,788	8.76 %
Noncurrent liabilities	<u>29,612,920</u>	<u>30,466,026</u>	<u>(853,106)</u>	(2.80)%
Total liabilities	<u>33,867,408</u>	<u>34,377,726</u>	<u>(510,318)</u>	(1.48)%
Deferred inflow of resources	<u>1,601,572</u>	<u>1,901,463</u>	<u>(299,891)</u>	15.77 %
Net investment in capital assets	52,213,847	52,324,848	(111,001)	(0.21)%
Restricted	1,232,330	1,594,657	(362,327)	(22.72)%
Unrestricted	<u>53,999,698</u>	<u>50,926,363</u>	<u>3,073,335</u>	6.03 %
Total net position	<u>\$ 107,445,875</u>	<u>\$ 104,845,868</u>	<u>\$ 2,600,007</u>	2.48 %

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

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Comparative Statements of Revenues, Expenses, and Changes in Net Position

The following table presents the statement of revenues, expenses, and changes in net position for the fiscal year ended June 30, 2020, compared to the prior fiscal year.

**Housing Authority of the City Alameda
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2020 and 2019**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>\$ Variance</u>	<u>% Variance</u>
Operating revenues:				
Grants	\$ 38,028,840	\$ 34,848,883	\$ 3,179,957	9.12 %
Rents	3,784,594	3,889,663	(105,069)	(2.70)%
Others	458,798	1,353,360	(894,562)	(66.10)%
Non-operating revenues:				
Interest income	433,945	611,760	(177,815)	(29.07)%
Gain on insurance proceeds	140,500	-	140,500	100.00 %
Land donation	-	<u>36,197,725</u>	<u>(36,197,725)</u>	100.00 %
Total revenues	<u>42,846,677</u>	<u>76,901,391</u>	<u>(34,054,714)</u>	(44.28)%
Operating expenses:				
Administration	7,921,167	6,774,778	1,146,389	16.92 %
Utilities	1,195,788	1,273,558	(77,770)	(6.11)%
Maintenance	2,386,291	1,861,879	524,412	28.17 %
Protective services	291,941	212,156	79,785	37.61 %
General	619,812	586,683	33,129	5.65 %
Tenant services	641,831	704,647	(62,816)	(8.91)%
Housing assistance payments	24,298,568	23,770,961	527,607	2.22 %
Depreciation	1,785,358	1,568,095	217,263	13.86 %
Non-operating expenses:				
Interest expense	<u>1,105,914</u>	<u>1,134,676</u>	<u>(28,762)</u>	(2.53)%
Total expenses	<u>40,246,670</u>	<u>37,887,433</u>	<u>2,359,237</u>	6.23 %
Change in net position	<u>2,600,007</u>	<u>39,013,958</u>	<u>(36,413,951)</u>	(93.34)%
Net position, beginning	<u>104,845,868</u>	<u>65,831,910</u>	<u>39,013,958</u>	59.26 %
Net position, ending	<u>\$ 107,445,875</u>	<u>\$ 104,845,868</u>	<u>\$ 2,600,007</u>	2.48 %

As noted previously, \$7,580,220 and \$6,823,178 of HAP received from HUD by the Authority and paid to Authority-owned properties is eliminated from financial statement presentation for fiscal years 2020 and 2019, respectively.

Analysis of the Authority's Overall Financial Position and Results of Operations

As indicated in the above comparative statements, the Authority's net position at June 30, 2020, increased by \$2,600,007 from the June 30, 2019.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

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Changes in Capital Assets

The following presents the changes in fixed assets (net of accumulated depreciation) at June 30, 2020, versus the prior fiscal year.

**Housing Authority of the City of Alameda
Changes in Capital Assets
(Net of Accumulated Depreciation)
June 30, 2020 and 2019**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>\$ Variance</u>	<u>% Variance</u>
Land	\$ 58,219,779	\$ 58,219,779	\$ -	- %
Construction in progress	103,890	24,190	79,700	329.47 %
Buildings and improvements	48,248,833	47,807,431	441,402	0.92 %
Equipment	<u>477,444</u>	<u>400,838</u>	<u>76,606</u>	19.11 %
Total capital assets	107,049,946	106,452,238	597,708	0.56 %
Accumulated depreciation	<u>(30,167,869)</u>	<u>(28,382,511)</u>	<u>(1,785,358)</u>	6.29 %
Capital assets, net of accumulated depreciation	<u>\$ 76,882,077</u>	<u>\$ 78,069,727</u>	<u>\$ (1,187,650)</u>	(1.52)%

Additional information pertaining to capital assets is found in Note 3 to the financial statements.

Changes in Long-Term Debt

The following presents the changes in long-term debt at June 30, 2020, versus the prior fiscal year.

**Housing Authority of the City of Alameda
Changes in Long-Term Debt
June 30, 2020 and 2019**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>\$ Variance</u>	<u>% Variance</u>
Notes and bonds payable	<u>\$ 24,668,230</u>	<u>\$ 25,744,879</u>	<u>\$ (1,076,649)</u>	(4.18)%

Additional information pertaining to long-term debt is found in Note 5 to the financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Unfunded Pension Liability

In 2016, \$1,000,000 was made to CalPERS for retirement costs associated with the Authority's pension liability. In May 2020, the Board of Commissioners approved an additional discretionary payment of \$1,000,000 to prefund pension liabilities by June 30, 2020 and directed the Authority's staff to fund the balance of the unfunded pension liability through the soft-fresh start payment mechanism.

Economic Factors

The Authority is primarily dependent upon HUD for the funding of operations. Therefore, the Authority is affected more by the federal budget than by state or local economic conditions. Changes in HUD grants affect the number of households that can be assisted under these federally funded programs on an ongoing basis.

The Authority's annual revenues for the Housing Choice Voucher Program are based primarily upon the amounts received each year from HUD, which does not correlate directly to the amounts expended each year for administrative costs and housing assistance payments expenses associated with the Housing Choice Voucher Program. Therefore, for any given fiscal year the Authority's revenues for the Housing Choice Voucher Program may be more or less than the expenses for the program. For the fiscal year ended June 30, 2020, the Authority's expenses associated with the Housing Choice Voucher Program exceeded its revenues by \$893,997. For the 2019 fiscal year, the Authority's expenses for the Housing Choice Voucher Program exceeded its revenues by \$108,700. These excesses of expenses over revenues were funded by a reduction in the Authority's net position for the Housing Choice Voucher Program.

On March 11, 2020, the World Health Organization declared an outbreak of a strain novel coronavirus a pandemic. As a result, economic uncertainties have arisen which may negatively impact rental operations. Furthermore, during the fiscal year ended June 30, 2020 and after, HUD provided additional funding pursuant to the Coronavirus Aid, Relief, and Economic Security Act.

Requests for Information

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Finance Director at the Housing Authority of the City of Alameda, 701 Atlantic Avenue, Alameda, California 94501.

FINANCIAL STATEMENTS

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HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENTS OF NET POSITION

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	Primary Government	Component Unit	Fiduciary Fund
	June 30, 2020	December 31, 2019	June 30, 2020
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents - unrestricted	\$ 27,449,884	\$ 1,571,493	\$ -
Cash and cash equivalents - restricted	1,268,773	326,006	-
Cash and cash equivalents - restricted - tenant security deposits	618,887	41,500	-
Investments	-	-	1,236,662
Due from other agencies	2,514,272	-	-
Tenant accounts receivable, net	116,003	-	-
Other accounts receivable, net	4,863	99,819	-
Interest receivable	47,682	-	-
Prepaid expenses and other current assets	<u>229,437</u>	<u>5,827,620</u>	<u>-</u>
Total current assets	<u>32,249,801</u>	<u>7,866,438</u>	<u>1,236,662</u>
Noncurrent assets:			
Notes receivable	31,224,401	-	-
Net OPEB asset	177,510	-	-
Capital assets, net	<u>76,882,077</u>	<u>27,823,398</u>	<u>-</u>
Total noncurrent assets	<u>108,283,988</u>	<u>27,823,398</u>	<u>-</u>
Total assets	<u>140,533,789</u>	<u>35,689,836</u>	<u>1,236,662</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension plan	2,322,160	-	-
OPEB plan	<u>58,906</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>2,381,066</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 142,914,855</u>	<u>\$ 35,689,836</u>	<u>\$ 1,236,662</u>

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENTS OF NET POSITION (CONTINUED)**

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	Primary Government	Component Unit	Fiduciary Fund
	June 30, 2020	December 31, 2019	June 30, 2020
	<u> </u>	<u> </u>	<u> </u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 988,577	\$ 57,917	\$ -
Tenant security deposits	581,499	41,500	-
Other accrued liabilities	321,839	186,232	-
Interest payable	1,075,205	858,796	-
Compensated absences, current portion	187,022	-	-
Notes and bonds payable, current portion	<u>1,100,346</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>4,254,488</u>	<u>1,144,445</u>	<u>-</u>
Noncurrent liabilities:			
Compensated absences, net of current portion	141,357	-	-
FSS escrows	73,831	-	-
Prepaid ground lease	3,317,290	-	-
Prepaid tenant rents	57,833	-	-
Net pension liability	2,454,725	-	-
Notes and bonds payable, net of current portion	<u>23,567,884</u>	<u>20,675,495</u>	<u>-</u>
Total noncurrent liabilities	<u>29,612,920</u>	<u>20,675,495</u>	<u>-</u>
Total liabilities	<u>33,867,408</u>	<u>21,819,940</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension plan	390,639	-	-
OPEB plan	<u>1,210,933</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>1,601,572</u>	<u>-</u>	<u>-</u>
<u>NET POSITION</u>			
Net investment in capital assets	52,213,847	-	-
Restricted	1,232,330	-	-
Unrestricted	<u>53,999,698</u>	<u>13,869,896</u>	<u>1,236,662</u>
Total net position	<u>107,445,875</u>	<u>13,869,896</u>	<u>1,236,662</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 142,914,855</u>	<u>\$ 35,689,836</u>	<u>\$ 1,236,662</u>

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HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED

	Primary Government	Component Unit	Fiduciary Fund
	June 30, 2020	December 31, 2019	June 30, 2020
Operating revenues:			
Grants income	\$ 38,028,840	\$ -	\$ -
Rental income	3,784,594	1,035,412	-
Other operating income	<u>458,798</u>	<u>271,553</u>	<u>-</u>
Total operating revenues	<u>42,272,232</u>	<u>1,306,965</u>	<u>-</u>
Operating expenses:			
Administration	7,921,167	329,616	584
Utilities	1,195,788	31,457	-
Maintenance	2,386,291	93,077	-
Protective services	291,941	-	-
General	619,812	250,553	-
Tenant services	641,831	-	-
Housing assistance payments	24,298,568	-	-
Depreciation	<u>1,785,358</u>	<u>843,528</u>	<u>-</u>
Total operating expenses	<u>39,140,756</u>	<u>1,548,231</u>	<u>584</u>
Operating income (loss)	<u>3,131,476</u>	<u>(241,266)</u>	<u>(584)</u>
Non-operating revenues (expenses):			
Interest income	433,945	-	42,246
Gain on insurance proceeds	140,500	-	-
Equity contributions	-	14,637,897	-
Interest expense	<u>(1,105,914)</u>	<u>(825,648)</u>	<u>-</u>
Net non-operating revenue (expenses)	<u>(531,469)</u>	<u>13,812,249</u>	<u>42,246</u>
Change in net position	2,600,007	13,570,983	41,662
Net position, beginning of year	<u>104,845,868</u>	<u>298,913</u>	<u>1,195,000</u>
NET POSITION, END OF YEAR	<u>\$ 107,445,875</u>	<u>\$ 13,869,896</u>	<u>\$ 1,236,662</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

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	<u>Primary Government</u>
Cash flows from operating activities:	
Grants received	\$ 36,376,788
Cash received from tenants	3,772,379
Other miscellaneous cash receipts	662,670
Cash payments to suppliers and landlords	(29,725,062)
Cash payments to employees	<u>(8,116,331)</u>
Net cash provided by operating activities	<u>2,970,444</u>
Cash flows from capital and related financing activities:	
Interest paid on long-term debt	(1,048,798)
Principal paid on notes payable	(1,076,649)
Acquisition of fixed assets	(607,184)
Gain on sale of capital assets	9,476
Collection of insurance proceeds	<u>140,500</u>
Net cash used in capital and related financing activities	<u>(2,582,655)</u>
Cash flows from investing activities:	
Collection of notes receivable	41,803
Issuance of notes receivable	(4,122,569)
Interest received from investments	<u>487,742</u>
Net cash used in investing activities	<u>(3,593,024)</u>
Net decrease in cash	(3,205,235)
Cash and cash equivalents - beginning	<u>32,542,779</u>
Cash and cash equivalents - end	<u>\$ 29,337,544</u>
Cash reconciliation as reported on the statements of net position:	
Cash and cash equivalents - unrestricted	27,449,884
Cash and cash equivalents - restricted	1,268,773
Cash and cash equivalents - restricted - tenant security deposits	<u>618,887</u>
	<u>\$ 29,337,544</u>

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

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	<u>Primary Government</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 3,131,476
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,785,358
Pension and OPEB expense	(819,717)
<i>(Increase) decrease in assets:</i>	
Due from other agencies	(1,779,345)
Tenant accounts receivable, net	96,947
Other accounts receivable, net	550,426
Prepaid expenses	(91,193)
Inventory	9,810
<i>Increase (decrease) in liabilities:</i>	
Accounts payable	93,735
Accounts payable to other agencies	(26,389)
Tenant security deposits	(104,254)
Accrued liabilities	231,629
Accrued compensated absences	78,519
Prepaid rents and leases	(149,969)
Other noncurrent liabilities	<u>(36,589)</u>
Net cash provided by operating activities	<u>\$ 2,970,444</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Housing Authority of the City of Alameda (the "Authority") conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to governmental entities. The following is a summary of the more significant procedures:

Definition of reporting entity

The Authority was established on August 8, 1940, by a resolution of the City of Alameda City Council. The Authority is governed by a seven-member Board of Commissioners which is appointed by the mayor of the City of Alameda, California (the "City"). However, the Authority is not considered to be a component unit of the City or any other primary government. Two members of the Board of Commissioners are participants in programs administered by the Commission. The members of the Commission are selected to serve for either two-year or four-year terms.

The basic financial statements includes the financial activities of the Authority, its blended component unit, Alameda Affordable Housing Corporation, its discretely presented component unit, Island City Development, and its fiduciary fund, the Other Post Employment Benefits ("OPEB") Trust Fund.

Island City Development (a California nonprofit corporation) was established in 2014 primarily to engage in acquiring, developing, rehabilitating, owning, and managing affordable housing for low-income and moderate-income individuals and families in the City. The executive director of the Authority appoints the members of the nonprofit corporation's board of directors. The nonprofit corporation has a year end of December 31, 2019, and the financial activity is reported as a separate column titled Component Unit on the accompanying financial statements.

Island City Development is the sole member of Del Monte Senior LLC, the 0.01% managing general partner of Sherman and Buena Vista LP, created June 23, 2016, for the purposes of developing and owning a 31-unit Low-Income Housing Tax Credit property at 1031 Buena Vista Avenue in Alameda. This property was completed in August 2018.

Additionally, Island City Development is the sole member of 2437 Eagle Avenue LLC, the 0.01% managing general partner of Everett and Eagle LP, created November 22, 2016, for the purposes of developing and owning a 20-unit Low-Income Housing Tax Credit property at 2437 Eagle Avenue in Alameda. This property was completed in December 2018. Island City Development is the 0.1% special limited partner for Stargell Commons LP, created February 20, 2015, to own and operate a 32-unit Low-Income Housing Tax Credit property at 2700 Bette Street in Alameda.

Finally, Island City Development is the sole member of Rosefield, LLC, the 0.01% managing general partner of Constitution and Eagle, LP, created December 18, 2018, for the purpose of building 78 units and renovation of 14 units (total 92 units) on the 700 block of Buena Vista Avenue. The property started the construction and rehabilitation process in the summer of 2020.

The Authority reports a fiduciary trust fund for its OPEB Trust Fund. The OPEB Trust accounts for the assets that are held in trust by the Authority for the beneficiaries of the OPEB plan.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Definition of reporting entity (continued)

A complete audited financial statement is separately issued for Island City Development and its subsidiary limited partnerships and limited liability companies, and may be obtained at the Authority's administrative offices located at 701 Atlantic Avenue, Alameda, California.

Related Organizations - Blended Component Units - The Authority is the sole member of AHA Islander GP, LLC, which is the 0.05% general partner of Alameda Islander LP. This limited partnership owns and operates a 62-unit Low-Income Housing Tax Credit property at 2428 Central Avenue in Alameda. The accompanying financial statements include the financial information of AHA Islander GP, LLC.

The Authority is the sole member of 2216 Lincoln AHA, LLC, which is the 0.0049% general partner of Jack Capon Villa, LP. This limited partnership owns and operates a 19-unit Low-Income Housing Tax Credit property at 2216 Lincoln Avenue in Alameda. The accompanying financial statements include the financial information of 2216 Lincoln AHA, LLC.

Alameda Affordable Housing Corporation ("AAHC") was established November 1, 2017, as a supporting organization of the Authority. Its primary role is to be a title holding entity for Authority-owned properties. AAHC received federal tax exempt status under Section 501(c)3 in 2017. The board of directors is comprised of all of the current Authority's Board of Commissioners and the directors' terms run concurrent with the commissioners'. AAHC has a fiscal year end on June 30 and the financial activity is not reported separately on the financial statements. During 2018, the Authority sold four of its properties to AAHC and both notes receivable and notes payable were created between the two parties. During 2020, the Authority sold an additional property, Independence Plaza, to AAHC. As these notes were between a primary government and its blended component unit, these notes were eliminated from the financial statements.

Government-wide financial statements

The government-wide financial statements (i.e., the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows) report the financial information of the Authority's operations as a whole.

For financial reporting purposes, the Authority reports all of its operations as a single business-type activity in a single enterprise housing fund. Therefore, for the Authority the government-wide and fund financial statements are the same. These basic financial statements are presented in accordance with the standards established by the Governmental Accounting Standards Board ("GASB").

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis* of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when related cash flows take place. Non-exchange transactions are those in which the Authority receives value without directly giving equal value in exchange. These transactions include revenues from federal, state, and local assistance programs. Revenues from these sources are recognized in the fiscal year in which all eligibility requirements have been met.

When the Authority incurs an expense for which both restricted and unrestricted resources may be used, it is the Authority's policy to use restricted resources first, and then unrestricted resources as needed.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* activities. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise housing fund are grants from federal funding agencies for housing assistance payments earned, administrative and developer fees, and rental income from its owned housing units. The Authority is party to services agreements with the City to provide various housing-related services. The cost of these services is reimbursed on an actual cost basis, plus a fixed fee.

Operating expenses include employee services and supplies, administrative expenses, management fees, utilities, housing assistance payments to landlords, and depreciation of its capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Authority applies all applicable Financial Accounting Standards Board ("FASB") pronouncements issued before November 30, 1989, in accounting and reporting for its proprietary operations.

Separate statements are also included in the discretely presented component unit and the fiduciary fund as shown on the accompanying financial statements. The discretely presented component unit and the fiduciary fund are separate legal entities from the Authority.

Cash and cash equivalents

For purposes of the accompanying statement of cash flows, all highly liquid cash and investments with a maturity of three months or less when purchased and cash restricted by federal governmental requirements are considered cash and cash equivalents.

Cash and cash equivalents include amounts in demand deposits and savings accounts. All of the Authority's cash equivalents can be converted to cash in a relatively short amount of time. Therefore, all cash and cash equivalents, including restricted amounts, are reported in the statement of cash flows.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted assets

Restricted cash and cash equivalents represent deposits that are used for replacement reserves, security deposit payable amounts to tenants and amounts that are required by grants from the U.S. Department of Housing and Urban Development ("HUD") to be used only to provide housing assistance for individuals and families that meet various income, age, and employment standards.

Receivables, net

All receivables are reported at their gross value and are reduced by an allowance for doubtful accounts if such an amount is considered applicable based on management's estimates for collection.

Prepaid expenses and other current assets

All inventories are valued at cost using the first-in/first-out method. Inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Capital assets

Capital assets, which include land, buildings, improvements, and furniture and equipment, are reported at historical cost. Contributed capital assets are recorded at fair value at the time received. Interest expense during any development periods is capitalized.

Maintenance, minor repairs and replacements are recorded as expenses; extraordinary replacements of property resulting in property betterments are charged to the property accounts. Depreciation is charged to operations using the straight-line method based on the estimated useful life of the related asset. The estimated useful lives of the various asset categories are as follows:

Buildings	40 years
Improvements	15 years
Furniture and equipment	5 to 10 years

Compensated absences

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred or at separation. Unpaid sick balances are not paid at separation.

Unearned Revenue

Total unearned revenue of \$3,375,123 consists of a prepaid ground lease of \$3,317,290 and prepaid tenant rents of \$57,833 as of June 30, 2020. See additional information on ground lease in Note 10.

Taxes

The Authority is exempt from federal and state income taxes, and county property taxes. AAHC has received federal tax-exempt status under Internal Revenue Code

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Section 501(c). AAHC must file IRS Form 990 and its California equivalent no later than the extended deadline of May 2021 for the fiscal year ended June 30, 2020.

Net position

Net position represents the differences between assets and liabilities. Net position consists of investment in capital assets, net of related debt; restricted net position; and unrestricted net position. Net position invested in capital assets, net of related debt, consists of capital assets, net of depreciation, reduced by the outstanding balances of borrowing used for the construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Deferred outflows/inflows of resources

In addition to assets and liabilities, the statement of net position includes separate sections for deferred outflows and inflows of resources. These separate sections represent a consumption or acquisition of net position that applies to future periods and will not be recognized as outflows (revenues) or inflows (expenses) until that time.

Net pension liability/net OPEB asset

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

GASB pronouncements not yet effective

In June 2017, GASB issued Statement No. 87, *Leases* ("GASB No. 87"). The objective of GASB No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB No. 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB No. 87 will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. GASB No. 87 also will enhance the decision-usefulness of the information provided to financial statement users by

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB pronouncements not yet effective (continued)

requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements.

The requirements of GASB No. 87 are effective for reporting periods beginning after December 15, 2021. The Authority does not believe that there will be any financial statement effect related to GASB No. 87.

Estimates

Management of the Authority has made certain estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses to prepare the financial statements. Actual results may differ from those estimates.

Eliminations

The following inter-program balances have been eliminated as of June 30, 2020:

Due From

Housing Choice Vouchers	\$ 153,818
Family Self-Sufficiency	25,331
Mod Rehab SRO	1,699
Shelter Plus Care	6
State and Local	50,392,856
AAHC - Blended Component Unit	<u>3,710</u>
	<u>\$ 50,577,420</u>

Due To

Housing Choice Vouchers	\$ 2,791,541
Family Self-Sufficiency	58,911
Shelter Plus Care	126,413
State and Local	275,555
AAHC - Blended Component Unit	<u>47,325,000</u>
Net capital assets	<u>\$ 50,577,420</u>

Budgets and budgetary accounting

Each year the Authority's Board of Commissioners adopts an operating budget. This budget may be revised during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of the adoption of the annual budget.

NOTE 2. CASH AND CASH EQUIVALENTS

Policies

California law requires banks and savings loan institutions to pledge government securities with a market value of 110% of the Authority's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California law, this collateral is held in a separate investment pool by another institution in the Authority's name and places the Authority ahead of general creditors of the institution.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

Policies (continued)

The Authority and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable securities instruments, or by electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the Authority employs the trust department of a bank as the custodian of certain managed investments, regardless of their form.

The Authority's cash equivalents are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of cash equivalents to reflect their fair value at each fiscal year end, and it includes the effects of those adjustments in income for that fiscal year.

Cash and cash equivalents are considered to be liquid assets with original maturities of 90 days or less for purposes of measuring cash flows.

Classification

Cash and cash equivalents are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of Authority debt instruments or agency agreements. Cash and cash equivalents as of June 30, 2020, are as follows:

Unrestricted	\$ 27,449,884
Restricted	<u>1,887,660</u>
Total cash and cash equivalents	<u>\$ 29,337,544</u>

The bank balance of cash and cash equivalents consists of \$9,170,656 maintained on deposit in two banks, \$1,194,942 maintained by loan servicing agencies, \$11,547,032 deposited in the State of California Local Agency Investment Fund ("LAIF"), \$7,479,028 deposited in the California Asset Management Program ("CAMP"), and \$700 in petty cash. Of the amounts on deposit with banks, \$500,000 is covered by federal deposit insurance. The remaining balance of \$8,670,656 is collateralized by governmental securities with a market value of 110% of the deposit or with first deed mortgages with a value of 150% of the uninsured amount.

The \$1,194,942 of cash equivalents maintained by loan servicing agencies reflects amounts held by trust departments of two lending agencies. These amounts will be used for future rehabilitation and operating costs for some of the Authority's housing complexes.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

Investments authorized by the California Government Code and the Authority's investment policy

The Authority's investment policy and the California Government Code allow the Authority to invest in the following, provided rating of the issuers are acceptable to the Authority; and approved percentages and maturities are not exceeded. Each January, the Board of Commissioners approves the Authority's Investment Policy. The table below also identifies certain provisions of the California Government Code or the Authority's Investment Policy where the Authority's Investment Policy is more restrictive.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Repurchase Agreements	N/A	N/A	N/A	N/A
LAIF	On Demand	N/A	N/A	N/A
U.S. Treasury Bonds, Notes and Bills	N/A	N/A	N/A	N/A
U.S. Agency and U.S. Government Bankers Acceptances	N/A	N/A	N/A	N/A
Negotiable Certificates of Deposit	180 Days	N/A	40%	30%
Time Certificates of Deposit	N/A	A	30%	N/A
Medium Term Corporate Notes	N/A	N/A	30%	N/A
Money Market Mutual Funds	5 Years	A	30%	N/A
County Agency Investment Fund	N/A	AAA	15%	10%
Reverse Repurchase Agreement	On Demand	N/A	30%	N/A
	N/A	N/A	20%	N/A

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)Investments authorized by debt agreements and governmental grants

The Authority must maintain required amounts of cash and investments at fiscal agents under terms of certain debt issues and governmental grants. These funds are unexpended bond proceeds or are pledged as reserves to be used if the Authority fails to meet its obligations under these debt issuances or governmental grants. The California Government Code requires these funds to be invested in accordance with Authority policies, bond indentures or state statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Quality Credit</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
<u>For U.S. Department of Housing and Urban Development Funds</u>				
LAIF	No Limit	N/A	No Limit	No Limit
Repurchase Agreements	N/A	N/A	No Limit	No Limit
U.S. Government Obligations and Agencies	No Limit	N/A	No Limit	No Limit
Sweep Account	No Limit	N/A	No Limit	No Limit
Insured Super NOW Accounts	No Limit	N/A	No Limit	No Limit
Insured Money Market Deposit	No Limit	N/A	No Limit	No Limit
Negotiable Certificates of Deposit	No Limit	N/A	30%	No Limit
Insured Demand and Saving Deposits	N/A	N/A	No Limit	No Limit
STRIPS, Principal Only	No Limit	N/A	No Limit	No Limit
Money Market Mutual Funds	N/A	AAA	20%	No Limit
U.S. Treasury Bills, Notes and Bonds	No Limit	N/A	No Limit	No Limit
<u>For Non-U.S. Department of Housing and Urban Development Funds</u>				
Prime Commercial Paper	180 Days	N/A	10%	30%
City of Alameda Bonds	N/A	N/A	No Limit	No Limit
U.S. Treasury Bills, Notes and Bonds	No Limit	N/A	No Limit	No Limit
Local Agency's Obligations within CA State, including LAIF	No Limit	N/A	No Limit	No Limit
U.S. Government Obligations and Agencies	No Limit	N/A	No Limit	No Limit
Collateralized Bank Deposit	No Limit	N/A	No Limit	No Limit
Bankers Acceptances	180 Days	N/A	40%	30%
Negotiable Certificates of Deposit	No Limit	N/A	30%	No Limit
Repurchase Agreements	92 Days	N/A	20%	No Limit
Money Market Mutual Funds	N/A	N/A	15%	10%
Trust Indentures	N/A	N/A	No Limit	No Limit
Medium Term Notes	5 Years	A	30%	No Limit
Mortgage and Equipment Lease Obligations	5 Years	AA	20%	No Limit

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Authority's investments (including investments held by bond trustees) to market rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

<u>Cash Equivalent Type</u>	<u>12 Months or Less</u>	<u>One to Five Years</u>	<u>More than Five Years</u>	<u>Total</u>
LAIF	\$ 11,547,032	\$ -	\$ -	\$ 11,547,032
CAMP	7,479,028	-	-	7,479,028
Total cash equivalents	<u>\$ 19,026,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,026,060</u>

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2020, for each Authority cash equivalent type as provided by Standard and Poor's, except as noted:

<u>Cash Equivalent Type</u>	<u>Amount</u>
Not Rated:	
LAIF	\$11,547,032
CAMP	\$7,479,028

Concentration of credit risk

The Authority is required to disclose investments that represent a concentration of five percent or more of investments in any issuer, held by individual Authority Funds in the securities of issuers other than U.S. Treasury securities, mutual funds and external investment pools. At June 30, 2020, there were no investments of this type.

Custodial credit risk

Custodial credit risk is the risk that in the event of a bank or brokerage failure, the Authority's deposits may not be returned. As previously stated, the Authority's bank deposits are either covered by Federal Deposit Insurance Corporation ("FDIC") insurance or are collateralized.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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NOTE 3. CAPITAL ASSETSPrimary government

The following is a summary of the Authority's changes in capital assets for the fiscal year ended June 30, 2020:

	Balance 6/30/2019	Additions	Deletions	Balance 6/30/2020
Non-depreciable assets:				
Land	\$ 58,219,779	\$ -	\$ -	\$ 58,219,779
Construction in progress	<u>24,190</u>	<u>89,176</u>	<u>(9,476)</u>	<u>103,890</u>
Total non-depreciable assets	<u>58,243,969</u>	<u>89,176</u>	<u>(9,476)</u>	<u>58,323,669</u>
Depreciable assets:				
Buildings and improvements	47,807,431	441,402	-	48,248,833
Equipment	<u>400,838</u>	<u>76,606</u>	<u>-</u>	<u>477,444</u>
Total depreciable assets	48,208,269	518,008	-	48,726,277
Accumulated depreciation	<u>(28,382,511)</u>	<u>(1,785,358)</u>	<u>-</u>	<u>(30,167,869)</u>
Net depreciable assets	<u>19,825,758</u>	<u>\$ (1,267,350)</u>	<u>\$ -</u>	<u>18,558,408</u>
Total capital assets, net	<u>\$ 78,069,727</u>			<u>\$ 76,882,077</u>

Discretely presented component unit

The following is a summary of the discretely presented component unit's capital assets as of December 31, 2019:

Land improvements	\$ 2,170,596
Building and improvements	26,161,709
Furniture and equipment	<u>512,067</u>
Gross capital assets	28,844,372
Less: accumulated depreciation	<u>(1,020,974)</u>
Net capital assets	<u>\$ 27,823,398</u>

NOTE 4. NOTES RECEIVABLE

At June 30, 2020, the Authority's notes receivable balance was \$31,224,401. There is no interest accrued on any of the notes receivable due to the uncertainty of collection based on the varying terms of the notes, which include no provision for interest, deferral of payments, and future value determinations of the properties. Interest income will be recorded by the Authority as received.

Related-party loans from the Authority and AAHC have been eliminated, as the Authority is a primary government and AAHC is its blended component unit.

The Authority had the following notes receivable outstanding at June 30, 2020:

Notes receivable - other

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4. NOTES RECEIVABLE (CONTINUED)

Effective January 5, 2004, Resources for Community Development ("RCD") entered into a promissory note with the Authority for an amount not to exceed \$2,015,000 for the Breakers at Bayport property located at 459 Neptune Gardens Avenue. This loan was assigned to the Breakers at Bayport LP on October 14, 2004. This loan accrues no interest. Payments shall be deferred until January 5, 2059. The outstanding balance on the note at June 30, 2020, was \$1,408,790.

Effective March 9, 2007, [Name Redacted] and [Name Redacted] entered into a promissory note with the City (and therefore the Successor Agency per the Recognized Obligation Payment Schedule ("ROPS")) for \$23,600 for the property at 338 Ansel Avenue. On April 30, 2019, [Name Redacted] and [Name Redacted] entered into the First Amendment to Promissory Note, which removed the balloon payment set for March 9, 2021. The amendment also contained a provision to change the potential amount of interest owed to be the lesser of 5% simple interest or shared appreciation. If the principal amount is paid after March 9, 2011, the borrower must also pay a share of the appreciation of the property, as calculated in the note. The outstanding balance on the note at June 30, 2020, was \$23,600.

Effective December 18, 2007, [Name Redacted] entered into a promissory note with the City (and therefore the Successor Agency per ROPS) for \$31,800 for the property at 2 Bertero Court. On March 13, 2019, [Name Redacted] entered into the First Amendment to Promissory Note, which removed the balloon payment set for December 18, 2022. The amendment also contained a provision to change the potential amount of interest owed to be the lesser of 5% simple interest or shared appreciation. If the principal amount is paid after December 19, 2012, the borrower must also pay a share of the appreciation of the property, as calculated in the note. The outstanding balance of the note at June 30, 2020, was \$31,800.

Effective January 23, 2008, [Name Redacted] entered into a promissory note with the City (and therefore the Successor Agency per ROPS) for \$31,800 for the property at 101 Kingfisher Avenue. A balloon payment is due on January 23, 2023. If the principal amount is paid after January 23, 2013, the borrower must also pay a share of the appreciation of the property, as calculated in the note. The outstanding balance on the note at June 30, 2020, was \$31,800.

Effective March 24, 2008, RCD entered into a promissory note with the Community Improvement Commission of the City (and therefore the Successor Agency per ROPS) for an amount not to exceed \$4,000,000 for the Shinsei Gardens property, located at 401 Willie Stargell Avenue. The loan was assigned to Shinsei Gardens Apartments LP on March 24, 2008, and was modified on March 24, 2008, and modified again on May 14, 2010. This loan accrues no interest. Payments shall be deferred until March 23, 2063. The outstanding balance on the note at June 30, 2020, was \$1,352,316.

Effective September 27, 2011, Alameda Islander LP entered into a promissory note with the Community Improvement Commission of the City of Alameda (and therefore the Successor Agency per ROPS) for \$8,600,000 for the Park Alameda property located at 2428 Central Avenue. This loan accrues no interest. Payments shall be deferred until September 27, 2068. The outstanding balance on the note at June 30, 2020, was \$8,600,000.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4. NOTES RECEIVABLE (CONTINUED)

Effective January 11, 2013, Jack Capon Villa LP entered into a promissory note with the Authority for the amount of \$225,000 for the Jack Capon Villa property located at 2216 Lincoln Avenue. Interest accrues at 5% per annum. Monthly installments of \$2,386 (principal and interest) are due based on a 10-year amortization schedule. The entire unpaid principal and interest shall be due and payable on April 1, 2024. The outstanding balance on the note at June 30, 2020, was \$113,105.

Effective January 11, 2013, Jack Capon Villa LP entered into an amended and restated promissory note with the Authority for an amount not to exceed \$1,400,000 for the Jack Capon Villa property located at 2216 Lincoln Avenue. Simple interest accrues at 3% per annum. Payments shall be deferred until January 17, 2068. The outstanding balance on the note at June 30, 2020, was \$1,400,000.

Effective January 11, 2013, Jack Capon Villa LP entered into a promissory note with the Authority for the amount of \$200,000 for the Jack Capon Villa property located at 2216 Lincoln Avenue. Simple interest accrues at 3% per annum. Principal and interest shall be due and payable on January 13, 2070. The outstanding balance on the note at June 30, 2020, was \$201,067.

Effective April 16, 2013, Name Redacted entered into a promissory note with the Authority for the amount of \$4,148 for the Regent Street property located at 1129-1131 Regent Street. The loan accrues no interest. The principal is due and payable on demand, on sale of the property, or when the property is no longer the primary residence of the borrower. The outstanding balance on the note at June 30, 2020, was \$2,248.

Effective June 10, 2013, Name Redacted entered into a promissory note with the Authority for the amount of \$4,148 for the Regent Street property located at 1129-1131 Regent Street. The loan accrues no interest. The principal is due and payable on demand, on sale of the property, or when the property is no longer the primary residence of the borrower. The outstanding balance on the note was paid off in full during 2020.

Effective August 1, 2013, Name Redacted entered into a promissory note with the Authority for the amount of \$7,676, for the Regent Street property located at 1129-1131 Regent Street. The loan accrues no interest. The principal is due and payable on demand, on sale of the property, or when the property is no longer the primary residence of the borrower. The outstanding balance on the note at June 30, 2020, was \$7,676.

Effective November 24, 2015, Stargell Commons LP entered into a loan agreement with the Authority for the amount of \$2,000,000 for the Stargell Commons property, located at 2700 Bette Street. The loan bears simple interest at 3% per annum. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 2, 2072. The outstanding balance on the note at June 30, 2020, was \$2,000,000.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4. NOTES RECEIVABLE (CONTINUED)

Effective December 1, 2016, Sherman and Buena Vista LP entered into a loan agreement with the Authority for the amount of \$3,600,000 for the Del Monte Senior property at 1301 Buena Vista Avenue. The loan bears interest at 2.26% compounded annually. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 31, 2073. The outstanding balance on the note at June 30, 2020, was \$3,600,000.

Effective December 1, 2016, Sherman and Buena Vista LP entered into a loan agreement with the Authority for the amount of \$3,410,000 for the Del Monte Senior property at 1301 Buena Vista Avenue. The loan bears interest at 2.26% compounded annually. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 31, 2073. The outstanding balance on the note at June 30, 2020, was \$3,410,000. See related ground lease in Note 10.

Effective November 1, 2019, MidPen Housing Corporation entered into a promissory note with the Authority for the amount of \$92,569. The note accrued simple interest at 3% annually beginning on November 1, 2021. The entire amount of outstanding principal and accrued interest is due and payable on November 1, 2024. The outstanding balance on the note at June 30, 2020, was \$92,569.

Notes receivable - discretely presented component unit

The Authority has the following notes receivable outstanding with Island City Development at June 30, 2020:

Effective February 10, 2016, Island City Development entered into a promissory note with the Authority for the amount of \$1,000,000 for the Rosefield project, located on the 700 block of Buena Vista Avenue. During 2019, Island City Development entered into an amended note, increasing the note to \$2,000,000. During 2020, Island City Development entered into an amended note, increasing the note to \$2,500,000. The note accrues simple interest at 3% per annum beginning January 1, 2021. The principal and interest are due and payable on December 31, 2026. The outstanding balance on the note at June 30, 2020, was \$2,246,930.

Effective June 21, 2017, Everett and Eagle LP entered into a promissory note with the Authority for the amount of \$4,250,000 for the 2437 Eagle Avenue property. The note accrues interest at 2.68% compounded annually. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 31, 2074. The outstanding balance on the note at June 30, 2020, was \$2,872,500.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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NOTE 4. NOTES RECEIVABLE (CONTINUED)

Effective October 23, 2017, Island City Development entered into a promissory note with the Authority for the amount of \$3,700,000 for the North Housing Project. The note accrues simple interest at 3% annually beginning on January 1, 2022. The entire amount of outstanding principal and accrued interest is due and payable on December 31, 2074. During 2020, Island City Development entered into an amended note, increasing the note to \$3,830,000. The outstanding balance on the note at June 30, 2020, was \$3,830,000.

The Authority had the following notes receivable outstanding at June 30, 2020:

	<u>Amount</u>
Notes receivable - other	\$ 16,137,471
Notes receivable - ICD	<u>15,086,930</u>
	<u>\$ 31,224,401</u>

NOTE 5. LONG-TERM DEBTPrimary government

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

	<u>Balance</u> <u>6/30/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2020</u>	<u>Current</u> <u>Portion</u>
Bonds payable:					
PNC Bank	\$ 4,976,154	\$ -	\$ (196,186)	\$ 4,779,968	\$ 207,182
Notes payable:					
NorthMarq Capital	13,256,243	-	(247,748)	13,008,495	262,061
NorthMarq Capital	4,827,442	-	(606,420)	4,221,022	629,555
City of Alameda	1,742,389	-	(44)	1,742,345	1,548
County of Alameda	<u>942,650</u>	<u>-</u>	<u>(26,250)</u>	<u>916,400</u>	<u>-</u>
	<u>\$ 25,744,878</u>	<u>\$ -</u>	<u>\$(1,076,648)</u>	<u>\$ 24,668,230</u>	<u>\$ 1,100,346</u>

As previously discussed, related party loans from the Authority and AAHC have been eliminated, as the Authority is a primary government and AAHC is its blended component unit.

The following is a schedule of debt payment requirements to maturity:

<u>Year Ending June 30:</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total Payments</u>
2021	\$ 1,100,346	\$ 974,079	\$ 2,074,425
2022	1,151,939	934,996	2,086,935
2023	1,206,065	897,553	2,103,618
2024	1,262,854	853,804	2,116,658
2025	1,322,443	756,300	2,078,743
Thereafter	<u>18,624,583</u>	<u>10,770,073</u>	<u>29,394,656</u>
	<u>\$ 24,668,230</u>	<u>\$ 15,186,805</u>	<u>\$ 39,855,035</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5. LONG-TERM DEBT (CONTINUED)

A description of the debt recorded at June 30, 2020, with the Authority is as follows:

Bonds payable

A deed of trust bond payable was issued on May 1, 2005, totaling \$6,800,000 for the Parrot Village and Eagle Village Apartments. The bonds payable are administered by PNC Bank. The bonds accrue interest at a variable rate based upon the weekly short-term bond interest rate. The bonds require annual payments in the amounts necessary to pay all principal of premium, if any, and interest on the bonds as they become due. The bonds mature May 15, 2035. The outstanding balance on the bonds payable totaled \$4,779,968 at June 30, 2020.

Notes payable

The Authority assumed a loan, originally entered into by the Filipino American Community Services Agency on July 9, 1996, payable to the County of Alameda on September 8, 2009, for the Lincoln House property at 745 Lincoln Avenue in the amount of \$35,000. This note bears no interest. However, if this note is not paid when due, the note will bear interest at 7% per annum for each day the note is not paid in full. The note is payable upon sale or transfer of the property whose deed of trust secures the note. The outstanding balance on this loan was paid off during 2020.

A promissory note agreement for \$235,900 was entered into with the City on July 15, 1996, for three condominiums at the following addresses: 2137 Otis Drive, 2209 Otis Drive, 1825 Shoreline Drive. This note bears no interest. Payment on this note was deferred until December 31, 2006, at which time semi-annual payments of principal are due based on an amortization schedule. The principal is due and payable on December 31, 2055. The outstanding balance on this note as of June 30, 2020, was \$218,645.

A promissory note agreement for \$282,700 was entered into with the City on July 26, 1996, for four condominiums at the following addresses: 955 Shorepoint Court and 965 Shorepoint Court. This note bears no interest. Payment on this note is deferred until December 31, 2026, at which time semi-annual payments of principal are due based on an amortization schedule. The principal is due and payable on December 31, 2055. The outstanding balance on this note as of June 30, 2020, was \$282,700.

A promissory note agreement for \$570,000 was entered into with the City on June 18, 1998, for the China Clipper property at 460 Buena Vista Avenue. This note bears interest at 3% per annum. Both interest and principal payments on this loan are deferred until the note's due date of June 30, 2057. The outstanding balance on this note at June 30, 2020, was \$570,000.

A promissory note agreement for \$380,000 was entered into with the County of Alameda on September 1, 2009, for the Lincoln House property at 745 Lincoln Avenue. The note bears simple interest at 3% per annum. The principal and accrued interest are due and payable on July 30, 2067. Principal and interest are payable annually throughout the term of the loan through Residual Receipts as defined in the note. The outstanding balance on this note at June 30, 2020, was \$380,000.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5. LONG-TERM DEBT (CONTINUED)

Notes payable (continued)

A promissory note agreement for \$536,400 was entered into with the County of Alameda on September 1, 2009, for the 1917 Sherman Street property. The note bears simple interest at 3% per annum. The principal and accrued interest are due and payable on July 30, 2067. Principal and interest are payable annually throughout the term of the loan through Residual Receipts as defined in the note. The outstanding balance on this note at June 30, 2020, was \$536,400.

A promissory note agreement for \$96,000 was entered into with the City on November 21, 2013, for the Anne B. Diament property at 920 Park Street. The note bears no interest. The principal is deferred and forgivable until November 22, 2028. The outstanding balance on this note at June 30, 2020, was \$96,000.

On June 30, 2014, the Authority entered into a mortgage note totaling \$14,291,000 with Amerisphere Multifamily Finance, LLC. The mortgage is serviced by NorthMarq Capital. The note is secured by the property referred to as the Esperanza Apartments at 1903 Third Street. The note bears interest at 5.63% per annum and requires combined monthly principal and interest payments totaling \$82,312. The note matures and is payable in full on July 1, 2044. The outstanding balance on the note at June 30, 2020, was \$13,008,496.

On June 30, 2014, the Authority entered into a mortgage note totaling \$7,500,000 with Amerisphere Multifamily Finance, LLC. The mortgage is serviced by NorthMarq Capital. The note is secured by the property referred to as the Independence Plaza at 703 Atlantic Avenue. The note bears interest at 3.75% per annum and requires combined monthly principal and interest payments totaling \$64,758. The note matures and is payable in full on July 1, 2026. The outstanding balance on the note at June 30, 2020, was \$4,221,021.

A first amendment to a promissory note agreement for \$575,000 was entered into with the City on April 1, 2017, retroactive to March 30, 2016, for property located at 738 Eagle Avenue, Alameda, CA. This note bears simple interest at 2.33% per annum. The principal, together with accrued interest, are due and payable on April 1, 2074, and the loan can be forgiven on March 30, 2031. The outstanding balance on this note at June 30, 2020, was \$575,000.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5. LONG-TERM DEBT (CONTINUED)

Discretely presented component unit

The following is a summary of term debt for the year ended December 31, 2019:

AHA Rosefield loan	\$ 2,000,000
AHA North Housing loan	700,000
Compass Bank	2,348,793
City of Alameda	195,740
AHA	3,600,000
AHA	3,410,000
JPMorgan Chase Bank, N.A.	3,320,768
City of Alameda	153,282
AHA	4,250,000
County of Alameda	<u>950,000</u>
Total notes payable	20,928,583
Less: unamortized debt issuance costs	<u>(253,088)</u>
Total notes payable, net	<u>\$ 20,675,495</u>

AHA Rosefield loan: Unsecured promissory note payable to AHA for the purpose of funding preacquisition efforts of a project known as Rosefield Village in the original loan amount of \$1,000,000, with interest accruing at a rate of 3.00% commencing January 1, 2018. During 2019, the loan agreement was amended, increasing the maximum loan to \$2,000,000 with interest accruing at 3.00% retroactively commencing January 1, 2021. All unpaid principal and interest is due December 31, 2026.

AHA North Housing loan: Unsecured promissory note payable to AHA for the purpose of funding preacquisition efforts of a project known as North Housing in the original loan amount of \$300,000, with interest accruing at a rate of 3.00% commencing January 1, 2024. During 2018, the loan agreement was amended to a maximum amount of \$3,700,000. All unpaid principal and interest is due December 31, 2074.

Note payable to Compass Bank, an Alabama banking corporation, provides construction financing in the maximum amount of \$10,322,328. The note is secured by a construction and permanent leasehold deed of trust with absolute assignment of leases and rents, security agreement and fixture filing. The note provides for interest only payments based on one-month LIBOR plus 1.80% per annum through the conversion date. The interest rate was 4.15% at December 31, 2018. In February 2019, the construction loan was partially paid off with the Limited Partner's capital contributions, with the remaining balance converted into a permanent loan of \$2,429,400 with California Community Reinvestment Corporation ("CCRC"). The Partnership entered into a promissory note agreement with CCRC for the permanent loan, with an interest rate of 5.39%, which requires monthly payments of principal and interest, and matures on March 1, 2034.

Note payable to the City of Alameda, secured by a subordinate deed of trust, borrowings up to \$195,740, simple interest at 3.00% per annum, payable from Residual Receipts and unpaid principal and interest are due on April 1, 2073.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5. LONG-TERM DEBT (CONTINUED)

Discretely presented component unit (continued)

Note payable to AHA, in the original amount of \$3,600,000, secured by a leasehold deed of trust, assignment of rents, and security agreement, interest at 2.26%, compounded annually; principal and interest payable annually from Residual Receipts; as defined, unpaid principal and interest are due December 31, 2073.

Note payable to AHA, in the original amount of \$3,410,000, secured by a leasehold deed of trust, assignment of rents, and security agreement, interest at 2.26%, compounded annually; principal and interest payable annually from Residual Receipts; unpaid principal and interest are due December 31, 2073.

Note payable to JPMorgan Chase Bank, N.A., a national banking association, provides construction financing in the maximum amount of \$9,858,528. The note is secured by a construction and deed of trust, assignment of rents, security agreement and fixture filing. The note provides for interest-only payments based on adjusted one-month LIBOR plus 1.85% per annum through the conversion date (4.35% as if December 31, 2018). In July 2019, the construction loan was partially repaid and concurrently converted to a \$3,330,168 permanent loan that bears interest of 5.55% that requires monthly payments of principal and interest of \$17,993. The note matures on September 21, 2039.

Note payable to the City of Alameda, secured by a subordinated leasehold deed of trust, assignment of rents, security agreement and fixture filing, borrowings up to \$153,282, simple interest at 3.00%, payable from residual receipts; unpaid principal and interest are due on December 31, 2074.

Note payable to the City of Alameda, secured by a subordinated leasehold deed of trust, assignment of rents, security agreement and fixture filing, borrowings up to \$153,282, simple interest at 3.00%, payable from residual receipts; unpaid principal and interest are due on December 31, 2074.

Note payable to AHA, in the original amount of \$4,250,000 secured by a leasehold deed of trust, assignment of rents, and security agreement and fixture filing, interest at 2.68%, compounded annually; principal and interest payable annually from residual receipts; unpaid principal and interest are due December 31, 2074.

Note payable to County of Alameda (County Loan), in the maximum amount of \$1,000,000, secured by a subordinated leasehold deed of trust, assignment of rents, security agreement and fixture filing, simple interest at 3.00%, payable from Residual Receipts and unpaid principal and interest are due on December 31, 2074.

Principal payments on notes payable are required as follows:

<u>Year Ending December 31:</u>	<u>Amount</u>
2020	\$ 141,947
2021	150,396
2022	158,784
2023	167,640
2024	176,478
Thereafter	<u>20,133,338</u>
	<u>\$ 20,928,583</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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NOTE 6. COMPENSATED ABSENCES

It is the Authority's policy to permit employees to accumulate earned but unused vacation leave up to a maximum of their annual accrual rate plus 10 days, up to a maximum of 250 hours at any time. This leave will be used in future periods or paid to employees upon separation from the Authority. Accrued vacation leave has been valued by the Authority and has been recorded as current compensated absences of \$187,022 and noncurrent compensated absences of \$141,357 for a total of \$328,379 as of June 30, 2020.

It is the Authority's policy to permit employees to accumulate earned but unused sick leave; however, the value of unused sick leave is not payable upon separation from the Authority.

A summary of the changes in the Authority's accrued compensated absences is as follows:

	<u>Balance</u> <u>6/30/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2020</u>	<u>Due Within</u> <u>One Year</u>
Compensated absences	\$ <u>249,860</u>	\$ <u>78,519</u>	\$ <u>-</u>	\$ <u>328,379</u>	\$ <u>187,022</u>

NOTE 7. PENSION PLAN

Plan Description - The plan is a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS. A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes and membership information, is listed in the June 30, 2018 Annual Actuarial Valuation Report. This report is a publicly available valuation report that can be obtained at CalPERS' website under "Forms and Publications". All qualified permanent and probationary employees are eligible to participate in the Authority's cost-sharing multiple-employer defined benefit pension plans administered by CalPERS. Benefit provisions under the plans are established by State statute and the Authority's resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7. PENSION PLAN (CONTINUED)

The plan's provisions and benefits in effect at June 30, 2020, are summarized as follows:

	<u>Miscellaneous Plan</u>	
	Prior To January 1, 2013	On or After January 1, 2013
Hire date	1, 2013	January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting formula	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	6.902%	6.500%
Required employer contribution rates	10.152%	7.266%

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. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The plan's actuarially determined rate is based on the estimated amount necessary to pay the costs of benefits earned by employees during the year, with an additional amount to pay any unfunded accrued liability. The Authority's contribution rates may change if plan contracts are amended. Payments made by the Authority to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. The Authority's contributions to the plan for the year ended June 30, 2019, were \$436,954.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, Deferred Inflows of Resources Related to Pensions - The Authority's net pension liability of \$2,454,725 is measured as the proportionate share of the net pension liability of \$4,004,500,996 (or 0.023955%). The net pension liability is measured as of June 30, 2019, and the total pension liability for each plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using standard update procedures. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
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NOTE 7. PENSION PLAN (CONTINUED)

For the measurement period ended June 30, 2019, the Authority recognized pension expense of \$996,386 for the plan. At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 170,491	\$ 13,210
Changes of assumptions	117,053	41,494
Difference between projected and actual earnings on pension plan investments	-	42,916
Difference between contribution and proportionate share of contribution	-	293,019
Adjustment due to differences in proportions	485,101	-
Pension contributions subsequent to the measurement date	1,549,515	-
Total	<u>\$ 2,322,160</u>	<u>\$ 390,639</u>

The \$1,549,515 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021 (measurement period ended June 30, 2019). These amounts are reflected in the financial statements as part of the deferred outflows of resources and deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30:</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2021	\$ 1,842,749
2022	56,328
2023	23,772
2024	8,672
2025	-
Thereafter	-

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
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NOTE 7. PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

- The total pension liabilities were determined using the following assumptions:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Actuarial cost method	Entry Age Normal
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by entry age and service 7.15%, net of pension plan investment and administrative expenses; includes inflation
Investment rate of return	Derived using CalPERS' Membership Data for all funds
Mortality Rate (1)	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.5% thereafter
Post Retirement Benefit Increase	

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP2016. For more details on this table, please refer to the 2017 Experience Study Report (based on CalPERS' demographic data from 1997 to 2015) that can be found on the CalPERS' website.

Discount Rate - The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 fund. The expected rate of return was set by calculating the 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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NOTE 7. PENSION PLAN (CONTINUED)

The expected real rates of return by asset class are as followed:

Asset Class	New Strategic Allocation	Real Return Year 1-10 (a)	Real Return Years 11+ (b)
Global Equity	50.00 %	4.80 %	5.98 %
Fixed Income	28.00 %	1.00 %	2.62 %
Inflation Assets	- %	0.77 %	1.81 %
Private Equity	8.00 %	6.30 %	7.23 %
Real Estate	13.00 %	3.75 %	4.93 %
Liquidity	1.00 %	- %	(0.92)%
Total	<u>100.00 %</u>		

(a) An expected inflation of 2.0% is used for this period.

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

Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following presents the Authority's proportionate share of the net pension liability, calculated using the discount rate of 7.15%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate:

	Discount Rate less 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate plus 1% (8.15%)
Plan's net pension liability at June 30, 2020	<u>\$ 4,960,977</u>	<u>\$ 2,454,725</u>	<u>\$ 385,992</u>

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

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
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NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB)

Plan description - The Authority participates in the CalPERS 2% at 55 Public Agency Miscellaneous Employees' pension plan for all regular employees hired before January 1, 2013, and 2% at 62 for those hired on or after January 1, 2013.

Employees who retire with a CalPERS pension (at least age 50, or age 52 for employees hired on or after January 1, 2013, with five years of services) are eligible for post-employment medical benefits.

The Authority contributes the minimum amount provided under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act (\$136 per month in 2019, increasing to \$139 in 2020). Retirees must contribute any premium amounts in excess of the Authority's contributions described above. Amounts paid by the Authority continue for the lifetime of the retiree and any surviving spouse, subject to CalPERS' eligibility requirements.

During the July 1, 2017 to June 30, 2018 measurement period, 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 post-employment health plan, to prefund other post-employment benefits through CalPERS. The financial statements for CERBT may be obtained by writing the California Public Employees' Retirement System, Constituent Relations Office, CERT (OPEB), P.O. Box 242709, Sacramento, California 94229-2709, or by calling 888-225-7377.

Plan Membership Information

Active plan members	47
Inactive plan members or beneficiaries currently receiving benefits	<u>7</u>
Total	<u><u>54</u></u>

Funding Policy - The Authority intends to contribute the full actuarially determined contribution to the plan each year. Contributions would be made up of cash contributions made to the trust as well as any benefit payments (implicit and explicit) unreimbursed by the trust.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (CONTINUED)

Actuarial Methods and Assumptions

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry age normal
Amortization Method	Straight-line amortization
Asset Valuation Method	Market value
Net Investment Return	7.28%, based on the CERBT Strategy 1 investment policy
Inflation Rate	2.26% annual inflation
Payroll Increases	3.25% annual increases
Mortality	Pre-retirement: CalPERS 2017 Mortality for pre-retirement Post-retirement: CalPERS 2017 Mortality for post-retirement.
Healthcare Cost Trend Rates	3.25% pre-65 and 5.00% post-65 initial trend rates for 2020. Decreasing 0.25% per year until ultimate rate of 5.00% is reached in 2028

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 were performed based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing cost between the Authority and plan members through June 30, 2019. Additionally, actuarial calculations reflect a long-term perspective and include methods and assumptions that were designed to reduce short-term volatility of actuarial accrued liabilities and actuarial value of assets. The Authority has relied on the work of the Authority's actuary to determine the Authority's net OPEB liability, and considers the underlying assumptions used by the actuary to be reasonable.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (CONTINUED)

Long-Term Expected Rate of Return - The valuation uses a discount rate of 7.28% per year, net of investment expenses and including inflation. This is a long-term 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 June 30, 2019, the measurement date, are summarized in the following table:

Investment Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	60.00 %	5.49%
Fixed income	32.00 %	1.65%
REITs	8.00 %	5.06%
Total	<u>100.00 %</u>	

Changes in the Net OPEB Liability - The total OPEB liability (asset) shown below is based on an actuarial valuation performed - as of June 30, 2018, and a measurement date of June 30, 2019:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a)-(b)
Balance at June 30, 2018	\$ 941,112	\$ 1,051,622	\$ (110,510)
Service cost	56,628	-	56,628
Interest	70,891	-	70,891
Differences between expected and actual experience	(2,338)	-	(2,338)
Changes of assumptions	-	-	-
Net investment income	-	68,342	(68,342)
Benefit payments	(48,803)	(48,803)	-
Contributions - employer	-	124,079	(124,079)
Contributions - employee	-	-	-
Administrative expense	-	(240)	240
Changes of benefit terms	-	-	-
Net changes	<u>76,378</u>	<u>143,378</u>	<u>(67,000)</u>
Balance at June 30, 2019	<u>\$ 1,017,490</u>	<u>\$ 1,195,000</u>	<u>\$ (177,510)</u>

The required schedule of changes in the net OPEB liability and related ratios immediately following the notes to the financial statements presents the beginning and ending balances of the total OPEB liability, the plan fiduciary net position available for OPEB benefits, and the net OPEB liability, 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, the payroll amount for current employees in the plan (covered employee payroll), and a ratio of the net OPEB liability as a percentage of the covered employee payroll. Two years of information are presented and will build to 10 years of information on a prospective basis.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (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 contribution, 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 Due to Changes in the Discount Rate - The following table represents the net OPEB liability (asset), calculated using the current discount rate of 7.28%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower (6.28%) or one percentage point higher (8.28%) than the current rate:

	1% Decrease (6.28%)	Current Discount Rate (7.28%)	1% Increase (8.28%)
Net OPEB liability (asset)	\$ <u>(43,774)</u>	\$ <u>(177,510)</u>	\$ <u>(287,762)</u>

Sensitivity of the Net OPEB Liability 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 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	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability (asset)	\$ <u>(249,407)</u>	\$ <u>(177,510)</u>	\$ <u>42,153</u>

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

- For the year ended June 30, 2020, the Authority recognized an OPEB income of \$172,398. At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 285,536
Changes in assumptions	-	925,397
Net difference between projected and actual earnings	13,519	-
Contributions to OPEB plan after measurement date (June 30, 2019)	<u>45,387</u>	<u>-</u>
Total	<u>\$ 58,906</u>	<u>\$ 1,210,933</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (CONTINUED)

Pursuant to GASB Statement No. 75, amounts reported as deferred outflows of resources related to OPEB contributions made subsequent to the measurement date of June 30, 2019, will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2021. These amounts are reflected in the financial statements as part of the deferred outflows of resources and deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized OPEB expense as follows:

<u>Measurement period Ending June 30:</u>	<u>Amount</u>
2020	\$ (175,529)
2021	(220,914)
2022	(224,938)
2023	(223,857)
2024	(185,385)
Thereafter	(121,404)

NOTE 9. GUARANTEES

Littlejohn Commons

Related to the Littlejohn Commons Senior property located at 1301 Buena Vista Avenue, the Authority entered into a guaranty agreement dated December 1, 2016, and attached as Exhibit E to the amended and restated limited partnership agreement of Sherman and Buena Vista LP for all of its obligations under that agreement, including partnership management duties, development completion, operating deficits, tax credit delivery, and repurchase obligations. The operating deficit guaranty amount is \$245,668. The Authority is released from this operating deficit obligation after two consecutive years of 1.15 debt service coverage ratio after stabilized occupancy and no sooner than 2020. As of June 30, 2020, the outstanding operating deficit guaranty was \$917,283.

Related to the Littlejohn Commons Senior property located at 1301 Buena Vista Avenue, the Authority entered into an unlimited guaranty agreement with Compass Bank related to the construction loan agreement and promissory note for \$10,322,328, any costs required to achieve permanent loan closing, and any environmental claims pursuant to the Environmental Indemnity Agreement. The construction loan was repaid by Littlejohn Commons to Compass Bank during fiscal year 2019.

Everett Commons

Related to the Everett Commons property located at 2437 Eagle Avenue, the Authority entered into a guaranty agreement dated June 27, 2017, and attached as Exhibit D to the first amended and restated limited partnership agreement of Everett and Eagle LP for performance of all its obligations under that agreement, including construction completion, operating deficits, liquidity, and tax credit delivery. The operating deficit loan guaranty obligation is up to \$314,000. The Authority is released from this operating deficit obligation after two consecutive years of 1.15 debt service coverage ratio after stabilized occupancy and no sooner than 2024. As guarantor, the Authority must also maintain liquid assets of at least \$850,000 in bank deposits in aggregate with Island City Development until all obligations are met.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9. GUARANTEES (CONTINUED)

Everett Commons (continued)

Related to Everett Commons property located at 2437 Eagle Avenue, the Authority entered into a payment and performance guaranty dated June 21, 2017, with JP Morgan Chase Bank NA related to a construction loan in the amount of \$9,859,528, which converted to a permanent loan in the amount of \$3,330,168 in July 2019.

NOTE 10. GROUND LEASES

On December 1, 1998, the Authority entered into a ground lease agreement with Regent St. CLT Condominiums located at 1129-1131 Regent Street. The lease term is 99 years, ending in 2097.

On May 7, 2001, the Authority entered into a ground lease agreement with Santa Clara Ave CLT Condominiums located at 2201-2203 Santa Clara Avenue and 1502 Walnut Street. The lease term is 99 years, ending in 2100.

On March 14, 2003, the Authority entered into a ground lease agreement with RCD, as amended by the First Amendment to Ground Lease dated October 14, 2004, for the Breakers at Bayport development located at 459 Neptune Gardens Avenue. The lease term is 75 years, ending March 31, 2081. On October 14, 2004, the lease was assigned to Breakers at Bayport, LP.

On October 4, 2006, the Authority entered into a ground lease agreement with RCD for the Shinsei Gardens Apartments, located at 401 Willie Stargell Avenue. The lease term is 75 years, ending March 31, 2081. On March 24, 2008, the lease was assigned to Shinsei Gardens Apartments, LP.

On May 25, 2012, the Authority entered into a ground lease agreement with Housing Consortium of the East Bay ("HCEB") and Satellite Housing, Inc. for the Jack Capon Villas, located at 2216 Lincoln Avenue. The rent for the entire lease term, \$100, was prepaid at lease signing. The lease term is 75 years, ending May 25, 2087. In November 2012, the lease was assigned to Jack Capon Villas, LP.

On November 14, 2015, the Authority entered into a ground lease agreement with Stargell Commons, LP for the property located at 2700 Bette Street. The lease term is 99 years, ending December 31, 2114. Initial rent of \$400,000 plus \$1 per year in prepaid lease payments for the entire term \$99 was paid on December 2, 2015.

On December 1, 2016, the Authority entered into a ground lease agreement with Sherman and Buena Vista LP, a subsidiary of Island City Development, for the property located at 1301 Buena Vista Avenue. The lease term is 99 years, ending December 31, 2115. Unearned rent for the entire lease term of \$3,410,000 was received on December 15, 2016. Unearned revenue will be amortized over the term of the life. See related note receivable in Note 4. At June 30, 2020, the unamortized balance was \$3,317,290, which is reflected in the accompanying statement of net position as prepaid ground lease.

On June 1, 2017, the Authority entered into a ground lease agreement with Everett and Eagle LP, a subsidiary of Island City Development, for the property located at 2437 Eagle Street. The lease term is 99 years, ending June 1, 2116. Prepaid rent for the entire lease term of \$9,900 was paid on June 29, 2017.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10. GROUND LEASES (CONTINUED)

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC, for the property known as Anne B. Diament located at 920 Park Street. The lease term is 75 years, ending May 1, 2093. Prepaid rent for the entire lease term of \$75 was paid on May 1, 2018.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC for the property known as China Clipper Plaza located at 460 Buena Vista Avenue. The lease term is 75 years, ending May 1, 2093. Prepaid rent for the entire lease term of \$75 was paid on May 1, 2018.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC, for the property known as Lincoln Willow Apartments located at 2101-2103 Lincoln Avenue. The lease term is 75 years, ending May 1, 2093. Prepaid rent for the entire lease term of \$75 was paid on May 1, 2018.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC, for the property known as Stanford House and located at 1917 Stanford Avenue. The lease term is 75 years, ending May 1, 2093. Prepaid rent for the entire lease term of \$75 was paid on May 1, 2018.

At June 30, 2020, the future rental income required under the lease agreements entered into by the Authority are as follows:

<u>Fiscal Year Ending:</u>	<u>Amount</u>
2021	\$ 45,324
2022	45,324
2023	45,324
2024	45,324
2025	45,324
Thereafter	<u>3,956,396</u>
	<u>\$ 4,183,016</u>

NOTE 11. JOINT POWERS AGREEMENTS

Workers' compensation insurance

The Authority participates in a joint venture under a joint powers agreement ("JPA") with the California Housing Workers' Compensation Authority ("CHWCA"). CHWCA is a California joint powers insurance authority established in 1991 for the purpose of providing workers' compensation coverage to California public housing authority members. CHWCA is a special district in the state of California providing its members with a comprehensive workers' compensation coverage program for the sharing of risk for self-insured losses, as well as jointly purchasing claims adjusting services, actuarial services, risk control services, and legal services connected with the program.

CHWCA is governed by a seven-member executive committee which is elected by the 33-member board of directors. Each of CHWCA's 33-member agencies appoint one primary and one alternate member to serve on the board of directors.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11. JOINT POWERS AGREEMENTS (CONTINUED)

Workers' Compensation Insurance (Continued)

The relationship between the Authority and CHWCA is such that CHWCA is not a component unit of the Authority for financial reporting purposes. Further information can be found at www.chwca.org.

Property and liability insurance

The Authority participates in a joint venture under a JPA with the Housing Authorities Risk Retention Pool ("HARRP"). HARRP was formed to provide property and liability insurance coverage for member housing authorities. At December 31, 2019, there were 83 members. The relationship between the Authority and HARRP is such that HARRP is not a component unit of the Authority for financial reporting purposes. Further information can be found at www.harrp.com.

ABAG Natural Gas JPA

The Authority participates in a joint venture under a JPA with ABAG POWER, an association of Bay Area governments service program. The joint powers agency formed in collaboration with many Bay Area cities, and special districts. Currently, ABAG POWER's primary objective is to conduct pooled purchasing of natural gas on behalf of local governments and special districts who voluntarily join the pool. The program enables members to achieve pricing suppliers who are interested in larger and more attractive combined loads. The pool is currently in its twentieth year of operation, and is serving 40 member agencies throughout Pacific Gas and Electric's service territory. Further information can be found at www.abag.ca.gov/our-work/energy-infrastructure/power.

NOTE 12. CONTINGENT LIABILITIES

The Authority is exposed to various risks of losses related to torts, theft, or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. Claim liabilities are reported when probable that a loss has occurred and the amount of that loss can be reasonably estimated. As of June 30, 2020, the Authority is not aware of any situations that would warrant a claim liability or disclosure in the financial statements.

Federal Grants

The Authority has received funds from various federal, state, and local grant programs. It is possible that at some future date it may be determined that the Authority was not in compliance with applicable grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Authority does not expect such disallowed amounts, if any, to materially affect the financial statements.

NOTE 13. SUBSEQUENT EVENTS

The Authority has evaluated events and transactions for potential recognition or disclosure through May XX, 2021, which is the date the financial statements were available to be issued. Management has determined that there were no material subsequent events that required additional disclosure in these financial statements.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14. ECONOMIC UNCERTAINTY DUE TO COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a strain of coronavirus ("COVID-19") a pandemic. As a result, economic uncertainties have arisen which may negatively impact rental operations. Other financial and operational impacts could occur, though such potential impact is unknown at this time. No adjustments or provisions were made in these financial statements related to uncertainties which have arisen or which may arise in the future due to COVID-19.

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REQUIRED SUPPLEMENTARY INFORMATION

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HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Years*

300

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Authority's proportion of the net pension liability	0.023955 %	0.021089 %	0.021448 %	0.019472 %	0.027020 %	0.030130 %
Authority's proportionate share of the net pension liability	\$ 2,454,725	\$ 2,032,192	\$ 2,127,040	\$ 1,684,952	\$ 1,854,640	\$ 1,871,494
Authority's covered-employee payroll	\$ 3,464,574	\$ 4,030,351	\$ 3,906,839	\$ 2,752,784	\$ 3,634,051	\$ 2,717,587
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	70.85 %	50.42 %	54.44 %	61.21 %	51.04 %	68.87 %
Plan fiduciary net position as a percentage of the total pension liability	75.30 %	88.05 %	75.39 %	88.01 %	107.30 %	83.00 %

*These amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE AUTHORITY'S PENSION PLAN CONTRIBUTIONS
Last 10 Years*

301

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	\$ 436,954	\$ 381,431	\$ 336,127	\$ 1,322,171	\$ 1,393,004	\$ 300,316
Contributions in relation to the actuarially determined contribution	<u>(436,954)</u>	<u>(381,431)</u>	<u>(336,127)</u>	<u>(1,322,171)</u>	<u>(1,393,004)</u>	<u>(1,393,004)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,092,688)</u>
Authority's covered-employee payroll	\$ 3,464,574	\$ 4,030,351	\$ 3,906,839	\$ 2,752,784	\$ 2,717,587	\$ 2,717,587
Contributions as a percentage of covered-employee payroll	12.61 %	9.46 %	8.60 %	48.03 %	51.26 %	51.26 %

*These amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

Changes in Actuarial Assumptions:

No changes noted.

Changes in Benefit Terms:

No changes noted.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED
RATIOS
Last 10 Years*

302

<u>Total OPEB liability</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 56,628	\$ 56,590	\$ 162,835
Interest	70,891	89,980	74,812
Differences between expected and actual experience	(2,338)	(348,070)	(3,275)
Changes of assumptions	-	(17,137)	(1,482,802)
Benefit payments, including refunds of employee contributions	<u>(48,803)</u>	<u>(38,634)</u>	<u>(30,448)</u>
Net change in total OPEB liability	76,378	(257,271)	(1,278,878)
Total OPEB liability - beginning	<u>941,112</u>	<u>1,198,383</u>	<u>2,477,261</u>
Total OPEB liability - ending	<u>\$ 1,017,490</u>	<u>\$ 941,112</u>	<u>\$ 1,198,383</u>
 <u>Plan fiduciary net position</u>			
Contributions - employer	\$ 124,079	\$ 38,634	\$ 1,012,388
Net investment income (loss)	68,342	76,420	(6,213)
Benefit payments, including refunds of employee contributions	(48,803)	(38,634)	(30,448)
Administrative expense	<u>(240)</u>	<u>(520)</u>	<u>(5)</u>
Net change in plan fiduciary net position	143,378	75,900	975,722
Plan fiduciary net position - beginning	<u>1,051,622</u>	<u>975,722</u>	<u>-</u>
Plan fiduciary net position - ending	<u>\$ 1,195,000</u>	<u>\$ 1,051,622</u>	<u>\$ 975,722</u>
Authority's net OPEB liability (asset)	<u>\$ (177,510)</u>	<u>\$ (110,510)</u>	<u>\$ 222,661</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	117.45 %	111.74 %	81.42 %
Covered payroll	<u>\$ 3,464,574</u>	<u>\$ 4,030,351</u>	<u>\$ 3,906,839</u>
Authority's net OPEB liability (asset) as a percentage of covered payroll	(5.12)%	(2.74)%	5.70 %

*These amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

Changes in Actuarial Assumptions:

No changes noted.

Changes in Benefit Terms:

No changes noted.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE AUTHORITY'S OPEB PLAN CONTRIBUTIONS
Last 10 Years*

303

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 60,751	\$ 78,605	\$ 128,377
Contributions in relation to the actuarially determined contribution	<u>(124,079)</u>	<u>(38,634)</u>	<u>(1,012,388)</u>
Contribution deficiency (excess)	<u>\$ (63,328)</u>	<u>\$ 39,971</u>	<u>\$ (884,011)</u>
Authority's covered-employee payroll	\$ 3,464,574	\$ 4,030,351	\$ 3,906,839
Contributions as a percentage of covered-employee payroll	3.58 %	0.96 %	25.91 %

*These amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

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OTHER SUPPLEMENTARY INFORMATION

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Housing Authority of the City of Alameda
Financial Data Schedule
Entity-Wide Balance Sheet
June 30, 2020

	Housing Choice Vouchers 14.871	Family Self-Sufficiency Program 14.896	Section 8 Moderate Rehabilitation Single Room Occupancy 14.249	Shelter Plus Care 14.238	State/Local 2	Alameda Affordable Housing Corporation	Cares Act Funding	Subtotal	ELIM	Total	Island City Development	OPEB Trust Fund	Grand Total
111 Cash - Unrestricted	\$ 46,304	\$ 43,586	\$ 62,966	\$ -	\$ 6,194,877	\$ 1,849,503	\$ -	\$ 8,197,236	\$ -	\$ 8,197,236	\$ 1,571,493	\$ -	\$ 9,768,729
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-	-	326,006	-	326,006
113 Cash - Other Restricted	73,831	-	-	-	816,601	378,341	-	1,268,773	-	1,268,773	-	-	1,268,773
114 Cash - Tenant Security Deposits	-	-	-	-	381,032	237,855	-	618,887	-	618,887	41,500	-	660,387
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
100 Total Cash	120,135	43,586	62,966	-	7,392,510	2,465,699	-	10,084,896	-	10,084,896	1,938,999	-	12,023,895
121 Accounts Receivable - PHA Projects	188,220	-	-	-	-	-	-	188,220	-	188,220	-	-	188,220
122 Accounts Receivable - HUD Other Projects	264,323	13,629	9,307	-	-	-	-	287,259	-	287,259	-	-	287,259
124 Accounts Receivable - Other Government	-	-	-	211,790	1,755,098	71,905	-	2,038,793	-	2,038,793	-	-	2,038,793
125 Accounts Receivable - Miscellaneous	-	-	-	-	-	4,138	-	4,138	-	4,138	99,819	-	103,957
126 Accounts Receivable - Tenants	-	-	-	-	197,233	26,375	-	223,608	-	223,608	-	-	223,608
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-	-	(97,973)	(9,632)	-	(107,605)	-	(107,605)	-	-	(107,605)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	49,115,000	-	-	49,115,000	(49,115,000)	-	-	-	-
128 Fraud Recovery	8,721	-	-	-	21,834	-	-	30,555	-	30,555	-	-	30,555
128.1 Allowance for Doubtful Accounts - Fraud	(8,721)	-	-	-	(21,109)	-	-	(29,830)	-	(29,830)	-	-	(29,830)
129 Accrued Interest Receivable	6	-	-	-	47,676	-	-	47,682	-	47,682	-	-	47,682
120 Total Receivables, Net of Allowances for Doubtful Accounts	452,549	13,629	9,307	211,790	51,017,759	92,786	-	51,797,820	(49,115,000)	2,682,820	99,819	-	2,782,639
131 Investments - Unrestricted	-	-	-	-	19,252,648	-	-	19,252,648	-	19,252,648	-	1,236,662	20,489,310
132 Investments - Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	9,597	-	-	-	176,226	43,614	-	229,437	-	229,437	5,827,620	-	6,057,057
143 Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
144 Inter Program Due From	153,818	25,331	1,699	6	1,277,856	3,710	-	1,462,420	(1,462,420)	-	-	-	-
145 Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-
150 Total Current Assets	736,099	82,546	73,972	211,796	79,116,999	2,605,809	-	82,827,221	(50,577,420)	32,249,801	7,866,438	1,236,662	41,352,901
161 Land	-	-	-	-	56,059,854	2,159,925	-	58,219,779	-	58,219,779	2,170,596	-	60,390,375
162 Buildings	-	-	-	-	18,771,490	14,974,323	-	33,745,813	-	33,745,813	26,161,709	-	59,907,522
163 Furniture, Equipment & Machinery - Dwellings	36,429	-	-	-	272,755	45,890	-	355,074	-	355,074	-	-	355,074
164 Furniture, Equipment & Machinery - Administration	5,684	-	-	-	116,686	-	-	122,370	-	122,370	512,067	-	634,437
165 Leasehold Improvements	-	-	-	-	7,983,273	6,519,747	-	14,503,020	-	14,503,020	-	-	14,503,020
166 Accumulated Depreciation	(37,192)	-	-	-	(17,619,346)	(12,511,331)	-	(30,167,869)	-	(30,167,869)	(1,020,974)	-	(31,188,843)
167 Construction in Progress	-	-	-	-	89,225	14,665	-	103,890	-	103,890	-	-	103,890
168 Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	4,921	-	-	-	65,673,937	11,203,219	-	76,882,077	-	76,882,077	27,823,398	-	104,705,475
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	31,224,401	-	-	31,224,401	-	31,224,401	-	-	31,224,401
172 Notes, Loans, and Mortgages Receivable - Non-Current - Past Due	-	-	-	-	-	-	-	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-	-	-	-	-	-	-	-
174 Other Assets	46,153	1,775	-	-	110,056	19,526	-	177,510	-	177,510	-	-	177,510
176 Investments in Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-
180 Total Non-Current Assets	51,074	1,775	-	-	97,008,394	11,222,745	-	108,283,988	-	108,283,988	27,823,398	-	136,107,386
200 Deferred Outflow of Resources	619,077	23,811	-	-	1,476,261	261,917	-	2,381,066	-	2,381,066	-	-	2,381,066
290 Total Assets and Deferred Outflow of Resources	\$ 1,406,250	\$ 108,132	\$ 73,972	\$ 211,796	\$ 177,601,654	\$ 14,090,471	\$ -	\$ 193,492,275	\$ (50,577,420)	\$ 142,914,855	\$ 35,689,836	\$ 1,236,662	\$ 179,841,353

Housing Authority of the City of Alameda
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	Housing Choice Vouchers 14.871	Family Self-Sufficiency Program 14.896	Section 8 Moderate Rehabilitation Single Room Occupancy 14.249	Shelter Plus Care 14.238	State/Local 2	Alameda Affordable Housing Corporation	Cares Act Funding	Subtotal	ELIM	Total	Island City Development	OPEB Trust Fund	Grand Total
311 Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
312 Accounts Payable <= 90 Days	162,293	460	2,418	1,377	580,411	240,280	-	987,239		987,239	-		987,239
313 Accounts Payable >90 Days Past Due	-	-	-	-	1,338	-	-	1,338		1,338	-		1,338
321 Accrued Wage/Payroll Taxes Payable	40,686	-	-	-	71,230	23,976	-	135,892		135,892	-		135,892
322 Accrued Compensated Absences - Current Portion	60,759	-	-	-	84,490	41,773	-	187,022		187,022	-		187,022
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-		-	-		-
325 Accrued Interest Payable	-	-	-	-	641,617	433,588	-	1,075,205		1,075,205	858,796		1,934,001
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-		-	-		-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-	-		-	-		-
333 Accounts Payable - Other Government	-	-	-	-	-	-	-	-		-	-		-
341 Tenant Security Deposits	-	-	-	-	365,380	216,119	-	581,499		581,499	41,500		622,999
342 Unearned Revenue	47,765	-	-	-	3,317,290	10,068	-	3,375,123		3,375,123			3,375,123
343 Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	470,791	629,555	-	1,100,346		1,100,346			1,100,346
344 Current Portion of Long-Term Debt - Operating Borrowings	-	-	-	-	-	-	-	-		-			-
345 Other Current Liabilities	1,790,000	-	-	-	-	47,325,000	-	49,115,000	(49,115,000)	-	-		-
346 Accrued Liabilities - Other	185,947	-	-	-	-	-	-	185,947		185,947	244,149		430,096
347 Inter Program - Due To	1,001,541	58,911	-	126,413	275,555	-	-	1,462,420	(1,462,420)	-	-		-
348 Loan Liability - Current	-	-	-	-	-	-	-	-		-	-		-
310 Total Current Liabilities	3,288,991	59,371	2,418	127,790	5,808,102	48,920,359	-	58,207,031	(50,577,420)	7,629,611	1,144,445	-	8,774,056
351 Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	19,310,417	4,257,467	-	23,567,884		23,567,884	20,675,495		44,243,379
352 Long-Term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-		-	-		-
353 Non-Current Liabilities - Other	73,831	-	-	-	-	-	-	73,831		73,831	-		73,831
354 Accrued Compensated Absences - Non-Current	51,549	-	-	-	70,227	19,581	-	141,357		141,357	-		141,357
355 Loan Liability - Non Current	-	-	-	-	-	-	-	-		-	-		-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-		-	-		-
357 Accrued Pension and OPEB Liabilities	638,229	24,547	-	-	1,521,929	270,020	-	2,454,725		2,454,725	-		2,454,725
350 Total Non-Current Liabilities	763,609	24,547	-	-	20,902,573	4,547,068	-	26,237,797	-	26,237,797	20,675,495	-	46,913,292
300 Total Liabilities	4,052,600	83,918	2,418	127,790	26,710,675	53,467,427	-	84,444,828	(50,577,420)	33,867,408	21,819,940	-	55,687,348
400 Deferred Inflow of Resources	416,409	16,016	-	-	992,974	176,173	-	1,601,572		1,601,572			1,601,572
508.4 Net Investment in Capital Assets	4,921	-	-	-	45,892,729	6,316,197	-	52,213,847		52,213,847	7,147,903	-	59,361,750
511.4 Restricted Net Position	-	-	-	-	832,253	400,077	-	1,232,330		1,232,330	326,006	-	1,558,336
512.4 Unrestricted Net Position	(3,067,680)	8,198	71,554	84,006	103,173,023	(46,269,403)	-	53,999,698		53,999,698	6,395,987	1,236,662	61,632,347
513 Total Equity - Net Assets / Position	(3,062,759)	8,198	71,554	84,006	149,898,005	(39,553,129)	-	107,445,875	-	107,445,875	13,869,896	1,236,662	122,552,433
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 1,406,250	\$ 108,132	\$ 73,972	\$ 211,796	\$ 177,601,654	\$ 14,090,471	\$ -	\$ 193,492,275	\$ (50,577,420)	\$ 142,914,855	\$ 35,689,836	\$ 1,236,662	\$ 179,841,353

Housing Authority of the City of Alameda
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	Housing Choice Vouchers 14,871	Family Self-Sufficiency Program 14,896	Section 8 Moderate Rehabilitation Single Room Occupancy 14,249	Shelter Plus Care 14,238	State/Local 2	Alameda Affordable Housing Corporation	Cares Act Funding	Subtotal	ELIM	Total	Island City Development	OPEB Trust Fund	Grand Total	
70300	Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ 2,857,592	\$ 863,421	\$ -	\$ 3,721,013	\$ -	\$ 3,721,013	\$ 810,664	\$ -	\$ 4,531,677
70400	Tenant Revenue - Other	-	-	-	-	45,134	18,447	-	63,581	-	63,581	496,301	-	559,882
70500	Total Tenant Revenue	-	-	-	-	2,902,726	881,868	-	3,784,594	-	3,784,594	1,306,965	-	5,091,559
70600	HUD PHA Operating Grants	32,202,771	59,387	237,669	-	-	(350,010)	32,499,827	-	32,499,827	-	-	-	32,499,827
70610	Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
70730	Bookkeeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	32,202,771	59,387	237,669	-	-	(350,010)	32,499,827	-	32,499,827	-	-	-	32,499,827
70800	Other Government Grants	-	-	-	437,638	10,392,027	1,929,558	-	12,759,223	(7,580,220)	5,179,003	-	-	5,179,003
71100	Investment Income - Unrestricted	-	-	-	-	433,945	-	-	433,945	-	433,945	-	42,246	476,191
71200	Mortgage Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud Recovery	6,212	-	-	-	102	-	6,314	-	6,314	-	-	-	6,314
71500	Other Revenue	377,020	-	-	-	75,464	-	452,484	-	452,484	-	-	-	452,484
71600	Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
72000	Investment Income - Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
70000	Total Revenue	32,586,003	59,387	237,669	437,638	13,804,264	2,811,426	(350,010)	49,936,387	(7,580,220)	42,356,167	1,306,965	42,246	43,705,378
91100	Administrative Salaries	1,347,416	43,785	45,425	14,608	2,536,708	340,203	283,008	4,328,145	-	4,328,145	53,012	-	4,381,157
91200	Auditing Fees	24,036	-	300	-	25,915	12,996	-	63,247	-	63,247	-	-	63,247
91300	Management Fee	-	-	-	-	55,686	-	-	55,686	-	55,686	-	-	55,686
91310	Bookkeeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-	33,169	-	-	33,169
91500	Employee Benefit Contributions - Administrative	215,624	6,671	-	-	1,105,162	73,513	-	1,400,970	-	1,400,970	-	-	1,400,970
91600	Office Expenses	289,368	-	-	-	768,644	135,723	62,752	1,193,735	-	1,193,735	89,901	-	1,283,636
91700	Legal Expense	92,499	-	-	-	194,037	136,488	-	423,024	-	423,024	8,851	-	431,875
91800	Travel	10,364	-	-	-	27,178	3,441	-	40,983	-	40,983	-	-	40,983
91810	Allocated Overhead	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	57,457	476	-	-	9,303	2,381	-	69,617	-	69,617	100,306	584	170,507
91000	Total Operating - Administrative	2,036,764	50,932	45,725	14,608	4,722,633	704,745	345,760	7,575,407	-	7,575,407	285,239	584	7,861,230
92000	Asset Management Fee	-	-	-	-	-	-	-	-	-	10,717	-	-	10,717
92100	Tenant Services - Salaries	-	-	-	-	153,898	56,806	-	210,704	-	210,704	-	-	210,704
92200	Relocation Costs	-	-	-	-	50,022	20,344	-	70,366	-	70,366	-	-	70,366
92300	Employee Benefit Contributions - Tenant Services	3,270	-	-	-	61,340	20,138	-	84,748	-	84,748	-	-	84,748
92400	Tenant Services - Other	9	-	-	-	211,438	64,566	-	276,013	-	276,013	-	-	276,013
92500	Total Tenant Services	3,279	-	-	-	476,698	161,854	-	641,831	-	641,831	-	-	641,831

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		Housing Choice Vouchers 14,871	Family Self-Sufficiency Program 14,896	Section 8 Moderate Rehabilitation Single Room Occupancy 14,249	Shelter Plus Care 14,238	State/Local 2	Alameda Affordable Housing Corporation	Cares Act Funding	Subtotal	ELIM	Total	Island City Development	OPEB Trust Fund	Grand Total
											-			
93100	Water	5,399	-	-	-	282,011	67,384	-	354,794		354,794	7,598		362,392
93200	Electricity	8,443	-	-	-	81,899	59,946	-	150,288		150,288	16,159		166,447
93300	Gas	190	-	-	-	-	95,430	-	95,620		95,620	102		95,722
93400	Fuel	-	-	-	-	-	-	-	-		-	-		-
93500	Labor	-	-	-	-	-	-	-	-		-	-		-
93600	Sewer	917	-	-	-	115,999	21,716	-	138,632		138,632	7,598		146,230
93700	Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-		-	-		-
93800	Other Utilities Expense	1,243	-	-	-	363,032	92,179	-	456,454		456,454	-		456,454
93000	Total Utilities	16,192	-	-	-	842,941	336,655	-	1,195,788	-	1,195,788	31,457	-	1,227,245
94100	Ordinary Maintenance and Operations - Labor	103	-	-	-	558,669	182,412	1,286	741,184		741,184	77,894		819,078
94200	Ordinary Maintenance and Operations - Materials and Other	2,832	-	-	-	109,979	29,953	2,964	142,764		142,764	-		142,764
94300	Ordinary Maintenance and Operations Contracts	27,183	-	-	-	844,058	256,082	-	1,127,323		1,127,323	15,183		1,142,506
94500	Employee Benefit Contributions - Ordinary Maintenance	2	-	-	-	314,351	56,417	-	370,770		370,770	21,495		392,265
94000	Total Maintenance	30,120	-	-	-	1,827,057	524,864	4,250	2,382,041	-	2,382,041	114,572	-	2,496,613
95100	Protective Services - Labor	-	-	-	-	-	-	-	-		-	-		-
95200	Protective Services - Other Contract Costs	38,950	-	-	-	172,853	80,138	-	291,941		291,941	-		291,941
95300	Protective Services - Other	-	-	-	-	-	-	-	-		-	-		-
95500	Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-		-	-		-
95000	Total Protective Services	38,950	-	-	-	172,853	80,138	-	291,941	-	291,941	-	-	291,941
96110	Property Insurance	379	-	-	-	77,075	18,201	-	95,655		95,655	14,234		109,889
96120	Liability Insurance	9,559	-	-	-	43,336	8,624	-	61,519		61,519	14,234		75,753
96130	Workmens' Compensation	-	257	-	-	6,470	-	-	6,727		6,727	-		6,727
96140	All Other Insurance	5,608	-	-	-	22,851	6,570	-	35,029		35,029	-		35,029
96100	Total Insurance Premiums	15,546	257	-	-	149,732	33,395	-	198,930	-	198,930	28,467	-	227,397
96200	Other General Expenses	66,439	-	-	-	212,282	50,024	-	328,745		328,745	222,176		550,921
96210	Compensated Absences	-	-	-	-	-	-	-	-		-	-		-
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-		-	12,075		12,075
96400	Bad debt - Tenant Rents	-	-	-	-	38,391	9,000	-	47,391		47,391	-		47,391
96500	Bad debt - Mortgages	-	-	-	-	-	-	-	-		-	-		-
96600	Bad debt - Other	-	-	-	-	44,747	-	-	44,747		-	-		-
96800	Severance Expense	-	-	-	-	-	-	-	-		-	-		-
96000	Total Other General Expenses	66,439	-	-	-	295,420	59,024	-	420,883	-	420,883	234,251	-	655,134

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96710	Interest of Mortgage (or Bonds) Payable	-	-	-	1,021,926	83,988	-	1,105,914	-	1,105,914	-	-	1,105,914	
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	825,648	-	825,648	
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	6,500	-	6,500	
96700	Total Interest Expense and Amortization Cost	-	-	-	1,021,926	83,988	-	1,105,914	-	1,105,914	832,148	-	1,938,062	
96900	Total Operating Expenses	2,207,290	51,189	45,725	14,608	9,509,260	1,984,663	350,010	13,812,735	-	13,812,735	1,536,851	584	15,350,170
97000	Excess (Deficiency) of Operating Revenue over Operating Expenses	30,378,713	8,198	191,944	423,030	4,295,004	826,763	-	36,123,652	(7,580,220)	28,543,432	(229,886)	41,662	28,355,208
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty Losses - Non-capitalized	-	-	-	-	-	-	-	-	-	-	-	-	-
97300	Housing Assistance Payments	30,913,164	-	191,674	414,807	-	-	31,519,645	(7,580,220)	23,939,425	-	-	23,939,425	
97350	HAP Portability-In	359,142	-	-	-	-	-	359,142	-	359,142	-	-	359,142	
97400	Depreciation Expense	384	-	-	-	1,367,498	417,476	-	1,785,358	-	1,785,358	837,028	-	2,622,386
97500	Fraud Losses	-	-	-	-	-	-	-	-	-	-	-	-	-
97600	Capital Outlays - Governmental Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
97700	Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
97800	Dwelling Units Rent Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
90000	Total Expenses	33,479,980	51,189	237,399	429,415	10,876,758	2,402,139	350,010	47,476,880	(7,580,220)	39,896,660	2,373,879	584	42,271,123
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(893,977)	8,198	270	8,223	2,927,506	409,287	-	2,459,507	-	2,459,507	(1,066,914)	41,662	1,434,255

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 Entity-Wide Revenue and Expense Summary
 June 30, 2020

	Housing Choice Vouchers 14,871	Family Self-Sufficiency Program 14,896	Section 8 Moderate Rehabilitation Single Room Occupancy 14,249	Shelter Plus Care 14,238	State/Local 2	Alameda Affordable Housing Corporation	Cares Act Funding	Subtotal	ELIM	Total	Island City Development	OPEB Trust Fund	Grand Total	
10010	Operating Transfer In	-	-	-	-	-	-	-	-	-	-	-	-	
10020	Operating Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-	
10030	Operating Transfers from/to Primary Government	-	-	-	-	-	-	-	-	-	-	-	-	
10040	Operating Transfers from/to Component Unit	-	-	-	-	29,010,845	(29,010,845)	-	-	-	-	-	-	
10050	Proceeds from Notes, Loans and Bonds	-	-	-	-	-	-	-	-	-	-	-	-	
10060	Proceeds from Property Sales	-	-	-	-	-	-	-	-	-	-	-	-	
10070	Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-	-	-	-	-	-	
10080	Special Items (Net Gain/Loss)	-	-	-	-	140,500	-	140,500	-	140,500	14,637,897	-	14,778,397	
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-	-	-	-	-	-	
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-	
10093	Transfers between Program and Project - In	-	-	-	-	-	-	-	-	-	-	-	-	
10094	Transfers between Project and Program - Out	-	-	-	-	-	-	-	-	-	-	-	-	
10100	Total Other Financing Sources (Uses)	-	-	-	-	29,151,345	(29,010,845)	140,500	-	140,500	14,637,897	-	14,778,397	
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-	-	-	-	-	-	-	
	Beginning Net Position	(2,168,782)	-	71,284	75,783	117,819,154	(10,951,571)	350,010	104,845,868	104,845,868	298,913	1,195,000	106,339,781	
	Ending Net Position	\$ (3,062,759)	\$ 8,198	\$ 71,554	\$ 84,006	\$ 149,898,005	\$ (39,553,129)	\$ 350,010	\$ 107,445,875	\$ -	\$ 107,445,875	\$ 13,869,896	\$ 1,236,662	\$ 122,552,433

SINGLE AUDIT SECTION

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**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 Board of Commissioners
Housing Authority of the City of Alameda
Alameda, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the City of Alameda, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Alameda's basic financial statements and have issued our report thereon dated May XX, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Alameda'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 Housing Authority of the City of Alameda's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Alameda's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Alameda'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 Housing Authority of the City of Alameda's Response to Finding

The Housing Authority of the City of Alameda's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Housing Authority of the City of Alameda's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Bethesda, Maryland
May XX, 2021

Draft Copy



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE

The Board of Commissioners
Housing Authority of the City of Alameda
Alameda, California

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Alameda's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Alameda's major federal programs for the year ended June 30, 2020. The Housing Authority of the City of Alameda's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the City of Alameda's major federal programs based on our audit of the types of compliance requirements referred to above.

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

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



Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the City of Alameda complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

Bethesda, Maryland
May XX, 2021

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

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<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-through Identification Number</u>	<u>Amount Passed to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development ("HUD"):				
Direct Programs:				
Housing Voucher Cluster:				
Housing Choice Vouchers	14.871	N/A	\$ -	\$ 32,202,771
COVID-19 Housing Choice Vouchers Administrative Fees	14.871	N/A	-	<u>350,010</u>
			-	32,552,781
Section 8 Moderate Rehabilitation -				
Single Room Occupancy	14.249	N/A	\$ -	\$ 237,669
Family Self-Sufficiency	14.896	N/A	-	<u>59,387</u>
			-	<u>32,849,837</u>
Pass-through from County of Alameda:				
Shelter Plus Care	14.238	CA0083L9T02710	-	<u>437,638</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ -</u>	<u>\$ 33,287,475</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020

317

1. The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the City of Alameda (the "Authority") under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "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.
2. The schedule of expenditures of federal awards is presented on the accrual basis of accounting.
3. The Authority did not pass-through any federal awards to subrecipients during the fiscal year ended June 30, 2020.
4. The Authority has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

SECTION I: SUMMARY OF AUDITOR'S RESULTS***Financial Statements***

Type of auditor's report to be issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiencies identified?	Yes
Noncompliance material to the financial statements?	No

Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
Housing Voucher Cluster	CFDA 14.871
Dollar threshold to distinguish between Type A and Type B programs	\$ <u>998,624</u>
Auditee qualified as low risk auditee?	No

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HOUSING AUTHORITY OF THE CITY OF ALAMEDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 2020-001: Significant Deficiency

Criteria: In accordance with AU-C Section 265, *Communicating Internal Control Related Matters*, when a deficiency or a combination of deficiencies in internal control is identified over financial reporting that is less severe than a material weakness yet important enough to merit attention by those charged with governance, a significant deficiency should be reported.

Condition: Significant adjustments were required to be made by both the Authority and auditor during the audit to conform the financial statements to accounting principles generally accepted in the United States of America ("U.S. GAAP").

Context: Several adjustments were required to accounts receivable, accrued liabilities, revenue, and expenses to conform the financial statements to U.S. GAAP.

Effect: Several accounts had incorrect balances prior to the start of the audit.

Cause: The Authority did not perform reconciliations on several accounts prior to start of the audit.

Auditor's Recommendations: The Authority should assess staffing needs based on the size and complexity of the Authority and develop a review process over the financial close and reporting process to ensure that it reconciles to supporting documentation and that it is reporting in accordance with U.S. GAAP. We further recommend that the Authority utilize a year-end checklist that would assist in closing the fiscal year timely and accurately.

Views of Responsible Officials: The Authority has made substantial improvements in its internal control and approval process from prior years. The Authority has expanded its existing year-end check list to ensure all material adjustments are incorporated to the unaudited financial data submission to HUD by the preliminary deadline and to the financial auditors when fieldwork begins. Segregation of duties between personnel and automated IT checks continue to be utilized.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None noted.

ALAMEDA AFFORDABLE HOUSING CORPORATION

701 Atlantic Avenue, Alameda, CA 94501

To: Board of Directors

From: Louie So, Director of Finance

Date: May 19, 2021

Re: Accept Report on the Federal and State Tax Returns for the Fiscal Year Ending June 30, 2020

BACKGROUND

All tax exempt corporations must file an annual information tax return to the Internal Revenue Service (IRS), known as Form 990, and to the State of California, known as Form 199. Prior to filing the tax returns due May 17, 2021, the Board of Directors received a draft copy of the documentation for review.

DISCUSSION

AAHC's auditor and tax firm Citrin Cooperman & Company LLP prepared the IRS Form 990 and state Form 199 based on the audited financial statements. The tax return includes operating activities from July 1, 2019 – June 30, 2020.

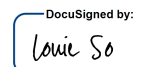
FISCAL IMPACT

None.

RECOMMENDATION

Accept Report on the Federal and State Tax Returns for the Fiscal Year Ending June 30, 2020.

Respectfully submitted,

DocuSigned by:

CC8FAB3A8A824DA
Louie So, CPA
Director of Finance

Attachment:

1. Draft AAHC Tax Return For Year Ended June 30, 2020



Form **990**
(Rev. January 2020)
Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

2019
Open to Public Inspection

A For the **2019** calendar year, or tax year beginning **JUL 1, 2019** and ending **JUN 30, 2020**

B Check if applicable: Address change Name change Initial return Final return/terminated Amended return Application pending	C Name of organization ALAMEDA AFFORDABLE HOUSING CORPORATION		D Employer identification number 30-1010896
	Doing business as		E Telephone number 510-747-4300
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	G Gross receipts \$ 2,811,426.
	701 ATLANTIC AVENUE		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
City or town, state or province, country, and ZIP or foreign postal code ALAMEDA, CA 94501		H(b) Are all subordinates included? Yes No	
F Name and address of principal officer: VANESSA COOPER SAME AS C ABOVE		If "No," attach a list. (see instructions)	
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) 501(c) () ◀ (insert no.) 4947(a)(1) or 527		H(c) Group exemption number ▶	
J Website: ▶ WWW.ALAMEDAHSG.ORG/ABOUT_US/AAHC		L Year of formation: 2017 M State of legal domicile: CA	
K Form of organization: <input checked="" type="checkbox"/> Corporation Trust Association Other ▶			

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: LOW INCOME HOUSING, SEE PAGE 2 FOR FURTHER EXPLANATION.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	7
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	7
	5 Total number of individuals employed in calendar year 2019 (Part V, line 2a)	5	0
	6 Total number of volunteers (estimate if necessary)	6	0
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	b Net unrelated business taxable income from Form 990-T, line 39	7b	0.
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 1,265,079.	Current Year 1,929,558.
	9 Program service revenue (Part VIII, line 2g)	438,802.	881,759.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0.	109.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	0.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,703,881.	2,811,426.
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.
14 Benefits paid to or for members (Part IX, column (A), line 4)		0.	0.
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		449,154.	729,738.
16a Professional fundraising fees (Part IX, column (A), line 11e)		0.	0.
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.			
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)		757,919.	1,672,400.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1,207,073.	2,402,138.	
19 Revenue less expenses. Subtract line 18 from line 12	496,808.	409,288.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 3,809,136.	End of Year 13,983,235.
	21 Total liabilities (Part X, line 26)	14,760,707.	13,049,955.
	22 Net assets or fund balances. Subtract line 21 from line 20	-10,951,571.	933,280.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer		Date		
	▶ VANESSA COOPER, EXECUTIVE DIRECTOR Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
	BRIAN J. GIGANTI			<input type="checkbox"/>	P00646609
Firm's name ▶ CITRIN COOPERMAN & COMPANY, LLP			Firm's EIN ▶ 22-2428965		
Firm's address ▶ 2 BETHESDA METRO CENTER, 11TH FLOOR BETHESDA, MD 20814			Phone no. (301) 654-9000		

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission: ALAMEDA AFFORDABLE HOUSING CORPORATION, IN PARTNERSHIP WITH THE ENTIRE COMMUNITY, ADVOCATES AND PROVIDES QUALITY, AFFORDABLE, SAFE HOUSING; ENCOURAGES SELF-SUFFICIENCY; AND STRENGTHENS COMMUNITY INCLUSIVENESS AND DIVERSITY IN HOUSING.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 1,614,692. including grants of \$) (Revenue \$ 881,759.) OWN AND MANAGE AFFORDABLE HOUSING. THIS INCLUDES INDEPENDENCE PLAZA, CHINA CLIPPER PLAZA, ANNE B. DIAMENT, LINCOLN WILLOW AND STANFORD HOUSE.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe on Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 1,614,692.

Exposure Draft - For discussion purposes

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question, Yes, No. Rows 22-38. Includes questions about grants, compensation, tax-exempt bonds, excess benefit transactions, and controlled entities.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with 3 columns: Question, Yes, No. Rows 1a, 1b, 1c. Includes questions about Form 1096, Forms W-2G, and backup withholding rules.

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 2a through 16 regarding employee reporting, tax returns, business income, foreign accounts, prohibited transactions, and charitable contributions.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
1b	Enter the number of voting members included on line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?	X	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?		X
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official		X
15b	Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **CA**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain on Schedule O)
- 19** Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records **▶**
- VANESSA COOPER - 510-747-4300**
701 ATLANTIC AVENUE, ALAMEDA, CA 94501

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations. See instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ART KURRASCH PRESIDENT	1.00	X		X				0.	0.	0.
(2) KENJI TAMAOKI VICE PRESIDENT	1.00	X		X				0.	0.	0.
(3) CARLY GROB DIRECTOR	1.00	X						0.	0.	0.
(4) BACHIR HADID DIRECTOR	1.00	X						0.	0.	0.
(5) BRAD WEINBERG DIRECTOR	1.00	X						0.	0.	0.
(6) STUART RICKARD DIRECTOR	1.00	X						0.	0.	0.
(7) SANDRA KAY DIRECTOR	1.00	X						0.	0.	0.
(8) VANESSA COOPER SECRETARY/EXECUTIVE DIRECT	8.00 32.00			X				0.	266,297.	35,038.
(9) LOUIE SO TREASURER	8.00 32.00			X				0.	194,555.	11,259.

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Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

				(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e	1,929,558.				
	f	All other contributions, gifts, grants, and similar amounts not included above ...	1f					
	g	Noncash contributions included in lines 1a-1f	1g	\$				
	h	Total. Add lines 1a-1f		1,929,558.				
	Program Service Revenue	2 a	TENANT RENTS	Business Code				
			900099	881,759.	881,759.			
b								
c								
d								
e								
f		All other program service revenue						
g		Total. Add lines 2a-2f		881,759.				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		109.			109.	
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross rents	(i) Real	(ii) Personal				
			6a					
			6b					
	c	Rental income or (loss)	6c					
	d	Net rental income or (loss)						
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			7a					
			7b					
	c	Gain or (loss)	7c					
	d	Net gain or (loss)						
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18						
			8a					
8b								
c	Net income or (loss) from fundraising events							
9 a	Gross income from gaming activities. See Part IV, line 19							
		9a						
		9b						
c	Net income or (loss) from gaming activities							
10 a	Gross sales of inventory, less returns and allowances							
		10a						
		10b						
c	Net income or (loss) from sales of inventory							
Miscellaneous Revenue	11 a		Business Code					
	b							
	c							
	d	All other revenue						
	e	Total. Add lines 11a-11d						
12	Total revenue. See instructions			2,811,426.	881,759.	0.	109.	

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	579,421.	239,218.	340,203.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	126,174.	44,235.	81,939.	
10 Payroll taxes	24,143.	16,160.	7,983.	
11 Fees for services (nonemployees):				
a Management				
b Legal	136,488.	5,032.	131,456.	
c Accounting	27,352.	14,356.	12,996.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	803,859.	803,859.		
12 Advertising and promotion				
13 Office expenses	106,086.		106,086.	
14 Information technology	60,830.	45,623.	15,207.	
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	3,441.		3,441.	
20 Interest	83,988.		83,988.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	417,476.	417,476.		
23 Insurance	32,880.	28,733.	4,147.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a _____				
b _____				
c _____				
d _____				
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e	2,402,138.	1,614,692.	787,446.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	966,446.	1	2,087,407.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	55,174.	4	120,759.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	39.	9	43,614.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 23,699,885.		
	b Less: accumulated depreciation	10b 12,511,331.	2,650,439.	10c 11,188,554.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	137,038.	15	542,901.
16 Total assets. Add lines 1 through 15 (must equal line 33)	3,809,136.	16	13,983,235.	
Liabilities	17 Accounts payable and accrued expenses	642,726.	17	759,199.
	18 Grants payable		18	
	19 Deferred revenue	152,117.	19	162,185.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties	666,000.	23	11,725,613.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	13,299,864.	25	402,958.
	26 Total liabilities. Add lines 17 through 25	14,760,707.	26	13,049,955.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	-11,051,571.	27	833,280.
	28 Net assets with donor restrictions	100,000.	28	100,000.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	-10,951,571.	32	933,280.
33 Total liabilities and net assets/fund balances	3,809,136.	33	13,983,235.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,811,426.
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,402,138.
3	Revenue less expenses. Subtract line 2 from line 1	3	409,288.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	-10,951,571.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	11,475,563.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	933,280.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:		
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
b Were the organization's financial statements audited by an independent accountant?	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:		
<input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits	X	

Exposure Draft - For discussion purposes

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

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OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization ALAMEDA AFFORDABLE HOUSING CORPORATION	Employer identification number 30-1010896
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Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations 1

g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
HOUSING AUTHORITY OF THE CITY OF ALAM	94-6003048	7	X		0.	0.
Total					0.	0.

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2019 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2018 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2019. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2018. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2019. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2018. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2019 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2018 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2018 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2019. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2018. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>	X	
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		X
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		X
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		X
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		X
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		X
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		X
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		X
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		X
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		X
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		X
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		X
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		X
b A family member of a person described in (a) above?		X
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		X

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>	X	

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Schedule A (Form 990 or 990-EZ) 2019

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2019 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2019	(iii) Distributable Amount for 2019
1 Distributable amount for 2019 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2019 (reasonable cause required- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2019			
a From 2014			
b From 2015			
c From 2016			
d From 2017			
e From 2018			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2019 distributable amount			
i Carryover from 2014 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2019 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2019 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions.			
6 Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2020. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2015			
b Excess from 2016			
c Excess from 2017			
d Excess from 2018			
e Excess from 2019			

EXPOSURE DRAFT - For discussion purposes

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Exposure Draft — For discussion purposes

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

- ▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
- ▶ Go to www.irs.gov/Form990 for the latest information.

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OMB No. 1545-0047

2019

Name of the organization

ALAMEDA AFFORDABLE HOUSING CORPORATION

Employer identification number

30-1010896

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Schedule B (Form 990, 990-EZ, or 990-PF) (2019)

Name of organization ALAMEDA AFFORDABLE HOUSING CORPORATION	Employer identification number 30-1010896
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	U.S. DEPARTMENT OF HOUSNG AND URBAN DEVELOPMENT 451 7TH STREET, SW WASHINGTON, DC 20410	\$ 1,929,558.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Exposure Draft - For discussion purposes

Name of organization ALAMEDA AFFORDABLE HOUSING CORPORATION	Employer identification number 30-1010896
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____

Exposure Draft - For discussion purposes

Schedule B (Form 990, 990-EZ, or 990-PF) (2019)

Name of organization ALAMEDA AFFORDABLE HOUSING CORPORATION	Employer identification number 30-1010896
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

345 OMB No. 1545-0047

2019 Open to Public Inspection

Name of the organization ALAMEDA AFFORDABLE HOUSING CORPORATION Employer identification number 30-1010896

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two Yes/No questions regarding donor property and grant fund usage.

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Form for Part II Conservation Easements. Includes checkboxes for types of easements, a table for line 2(a-d) held at end of tax year, and questions 3-9 regarding monitoring, expenses, and reporting.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions 1a, 1b, and 2 regarding reporting of art and historical treasures.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange program
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____ %
 - b Permanent endowment _____ %
 - c Term endowment _____ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|--------|----|
| (i) Unrelated organizations | 3a(i) | |
| (ii) Related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? <input type="checkbox"/> | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,159,925.		2,159,925.
b Buildings		21,539,960.	12,511,331.	9,028,629.
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				11,188,554.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO AHA	- 3,710.
(3) TENANT SECURITY DEPOSITS	216,119.
(4) OTHER SUBSIDY RECEIVABLE	27,973.
(5) PENSION LIABILITY	162,576.
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	402,958.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ...

**SCHEDULE J
(Form 990)**

Compensation Information

349
OMB No. 1545-0047

2019

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
 ▶ Attach to Form 990.
 ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization **ALAMEDA AFFORDABLE HOUSING CORPORATION** Employer identification number **30-1010896**

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|--|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? **4a**
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b**
- c** Participate in, or receive payment from, an equity-based compensation arrangement? **4c**
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? **5a**
- b** Any related organization? **5b**
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? **6a**
- b** Any related organization? **6b**
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2019

SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ**Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.352
OMB No. 1545-0047**2019**Open to Public
Inspection

Name of the organization

ALAMEDA AFFORDABLE HOUSING CORPORATION

Employer identification number

30-1010896

FORM 990, PART VI, SECTION A, LINE 3:

MOST OF THE MANAGEMENT ACTIVITIES ARE PERFORMED BY THE HOUSING AUTHORITY OF
THE CITY OF ALAMEDA, A RELATED ORGANIZATION.

FORM 990, PART VI, SECTION A, LINE 8B:

THERE ARE NO COMMITTEES.

FORM 990, PART VI, SECTION B, LINE 11B:

THE 990 IS REVIEWED BY THE ACCOUNTING AND FINANCE STAFF OF THE HOUSING
AUTHORITY OF THE CITY OF ALAMEDA, BEFORE BEING SENT TO THE BOARD FOR FINAL
REVIEW AND ACCEPTANCE.

FORM 990, PART VI, SECTION B, LINE 12C:

ANNUAL CONFLICT OF INTEREST STATEMENTS ARE REQUESTED FROM THE BOARD
MEMBERS.

FORM 990, PART VI, SECTION C, LINE 19:

ON THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA'S WEBSITE.

FORM 990, PART IX, LINE 11G, OTHER FEES:

OTHER FEES:

PROGRAM SERVICE EXPENSES 803,859.

MANAGEMENT AND GENERAL EXPENSES 0.

FUNDRAISING EXPENSES 0.

TOTAL EXPENSES 803,859.

TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A 803,859.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2019)

Name of the organization ALAMEDA AFFORDABLE HOUSING CORPORATION	Employer identification number 30-1010896
---	---

PART X -LINE 23 - SECURED MORTGAGES AND NOTES PAYABLE TO UNRELATED 3RD PART THE CORPORATION ENTERED INTO A TRANSACTION WITH THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA, A RELATED PARTY, WHEREBY THE CORPORATION RECEIVED LAND AND BUILDINGS FOR ITS PROGRAMMATIC USE AND ISSUED A LOAN PAYABLE TO THE HOUSING AUTHORITY FOR \$47,325,000. IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES FOR RELATED PARTY TRANSACTIONS, THE CARRYING VALUE OF THE LAND AND BUILDING AND RELATED NOTES AND LOANS HAVE BEEN RECORDED AT HISTORICAL COST THE FACE VALUE OF THE NOTE ISSUED APPROXIMATES THE FAIR VALUE OF THE LAND, BUILDINGS AND RELATED ASSETS AT THE TIME OF THE TRANSFER.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:
ADJUSTMENT OF LOANS PAYABLE TO HISTORICAL COST VALUE OF PROPERTY 11,475,563.

FORM 990 PART XII LINE 2C
NO THE ORGANIZATION HADN'T CHANGED EITHER ITS OVERSIGHT PROCESS OR SELECTION PROCESS THROUGHOUT THE YEAR.

Exposure Draft - For discussion purposes

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)	X	
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) HOUSING AUTHORITY OF THE CITY OF ALAMEDA	E	0	FMV
(2) HOUSING AUTHORITY OF THE CITY OF ALAMEDA	O	0	FMV
(3) HOUSING AUTHORITY OF THE CITY OF ALAMEDA	S	29,010,845	FMV
(4)			
(5)			
(6)			

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

PART II, IDENTIFICATION OF RELATED TAX-EXEMPT ORGANIZATIONS:

NAME OF RELATED ORGANIZATION:

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

PRIMARY ACTIVITY: TO PROVIDE FEDERALLY-FUNDED PUBLIC HOUSING PROGRAMS AND RELATED SERVICES.

Exposure Draft — For discussion purposes

Form **8868**
(Rev. January 2020)

Application for Automatic Extension of Time To File an Exempt Organization Return

OMB No. 1545-0047

Department of the Treasury
Internal Revenue Service

► **File a separate application for each return.**
► **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. ALAMEDA AFFORDABLE HOUSING CORPORATION	Taxpayer identification number (TIN) 30-1010896
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 701 ATLANTIC AVENUE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ALAMEDA, CA 94501	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

VANESSA COOPER

- The books are in the care of ► **701 ATLANTIC AVENUE - ALAMEDA, CA 94501**
Telephone No. ► **510-747-4300** Fax No. ► _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **MAY 17, 2021**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ► calendar year _____ or
 ► tax year beginning **JUL 1, 2019**, and ending **JUN 30, 2020**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

TAXABLE YEAR
2019

California Exempt Organization Annual Information Return

199

Calendar Year 2019 or fiscal year beginning (mm/dd/yyyy) **07/01/2019**, and ending (mm/dd/yyyy) **06/30/2020**

Corporation/Organization name
ALAMEDA AFFORDABLE HOUSING CORPORATION

California corporation number
4080353

Additional information. See instructions.

FEIN
30-1010896

Street address (suite or room)
701 ATLANTIC AVENUE

PMB no.

City
ALAMEDA

State
CA

ZIP code
94501

Foreign country name

Foreign province/state/county

Foreign postal code

- A** First Return Yes No
- B** Amended Return Yes No
- C** IRC Section 4947(a)(1) trust Yes No
- D** Final Information Return?
 - Dissolved Surrendered (Withdrawn) Merged/Reorganized
 - Enter date: (mm/dd/yyyy) _____
- E** Check accounting method: (1) Cash (2) Accrual (3) Other
- F** Federal return filed? (1) 990T (2) 990PF (3) Sch H (990) (4) Other 990 series
- G** Is this a group filing? See instructions Yes No
- H** Is this organization in a group exemption Yes No
If "Yes," what is the parent's name? _____
- I** Did the organization have any changes to its guidelines not reported to the FTB? See instructions Yes No

- J** If exempt under R&TC Section 23701d, has the organization engaged in political activities? See instructions. Yes No
- K** Is the organization exempt under R&TC Section 23701g? Yes No
If "Yes," enter the gross receipts from nonmember sources \$ _____
- L** If organization is a public charity exempt under R&TC Section 23701d and meets the filing fee exception, check box. No filing fee is required
- M** Is the organization a Limited Liability Company? Yes No
- N** Did the organization file Form 100 or Form 109 to report taxable income? Yes No
- O** Is the organization under audit by the IRS or has the IRS audited in a prior year? Yes No
- P** Is federal Form 1023/1024 pending? Yes No
Date filed with IRS _____

Part I Complete Part I unless not required to file this form. See General Information B and C.

Receipts and Revenues	1	Gross sales or receipts from other sources. From Side 2, Part II, line 8	1	881,868	00
	2	Gross dues and assessments from members and affiliates	2		00
	3	Gross contributions, gifts, grants, and similar amounts received STMT 1	3	1,929,558	00
	4	Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than \$50,000, see General Information B	4	2,811,426	00
	5	Cost of goods sold	5		00
	6	Cost or other basis, and sales expenses of assets sold	6		00
	7	Total costs. Add line 5 and line 6	7		00
	8	Total gross income. Subtract line 7 from line 4	8	2,811,426	00
Expenses	9	Total expenses and disbursements. From Side 2, Part II, line 18	9	2,402,138	00
	10	Excess of receipts over expenses and disbursements. Subtract line 9 from line 8	10	409,288	00
Filing Fee	11	Total payments	11		00
	12	Use tax. See General Information K	12		00
	13	Payments balance. If line 11 is more than line 12, subtract line 12 from line 11	13		00
	14	Use tax balance. If line 12 is more than line 11, subtract line 11 from line 12	14		00
	15	Filing fee \$10 or \$25. See General Information F	15	10	00
16	Penalties and Interest. See General Information J	16		00	
17	Balance due. Add line 12, line 15, and line 16. Then subtract line 11 from the result	17	10	00	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here
Signature of officer **EXECUTIVE DIRE** Title Date Telephone

Preparer's signature Date Check if self-employed **P00646609** PTIN

Paid Preparer's Use Only
Firm's name (or yours, if self-employed) and address **CITRIN COOPERMAN & COMPANY, LLP**
2 BETHESDA METRO CENTER, 11TH FLOOR
BETHESDA, MD 20814
Firm's FEIN **22-2428965**
Telephone **(301) 654-9000**

May the FTB discuss this return with the preparer shown above? See instructions Yes No

ALAMEDA AFFORDABLE HOUSING CORPORATION

30-1010896

Part II Organizations with gross receipts of more than \$50,000 and private foundations regardless of amount of gross receipts - complete Part II or furnish substitute information.

928951 12-04-19

Receipts from Other Sources	1	Gross sales or receipts from all business activities. See instructions	•	1		00	
	2	Interest	•	2	109	00	
	3	Dividends	•	3		00	
	4	Gross rents	•	4		00	
	5	Gross royalties	•	5		00	
	6	Gross amount received from sale of assets (See Instructions)	•	6		00	
	7	Other income	•	7	881,759	00	
	8	Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1	•	8	881,868	00	
	9	Contributions, gifts, grants, and similar amounts paid	•	9		00	
	10	Disbursements to or for members	•	10		00	
	11	Compensation of officers, directors, and trustees	•	11	0	00	
	12	Other salaries and wages	•	12	579,421	00	
	Expenses and Disbursements	13	Interest	•	13	83,988	00
		14	Taxes	•	14	24,143	00
		15	Rents	•	15		00
		16	Depreciation and depletion (See instructions)	•	16	417,476	00
		17	Other Expenses and Disbursements	•	17	1,297,110	00
		18	Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9	•	18	2,402,138	00

Schedule L Balance Sheet	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		966,446		2,087,407
2 Net accounts receivable		55,174		120,759
3 Net notes receivable				
4 Inventories				
5 Federal and state government obligations				
6 Investments in other bonds				
7 Investments in stock				
8 Mortgage loans				
9 Other investments				
10 a Depreciable assets	5,759,151		21,539,960	
b Less accumulated depreciation	(3,108,712)	2,650,439	(12,511,331)	9,028,629
11 Land				2,159,925
12 Other assets	STMT 5	137,077		586,515
13 Total assets		3,809,136		13,983,235
Liabilities and net worth				
14 Accounts payable		642,726		759,199
15 Contributions, gifts, or grants payable				
16 Bonds and notes payable				
17 Mortgages payable		666,000		11,725,613
18 Other liabilities	STMT 6	13,451,981		565,143
19 Capital stock or principal fund				
20 Paid-in or capital surplus. Attach reconciliation				
21 Retained earnings or income fund		-10,951,571		933,280
22 Total liabilities and net worth		3,809,136		13,983,235

Schedule M-1 Reconciliation of income per books with income per return				
Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$50,000.				
1 Net income per books	•	409,288	7 Income recorded on books this year not included in this return	•
2 Federal income tax	•		8 Deductions in this return not charged against book income this year	•
3 Excess of capital losses over capital gains	•		9 Total. Add line 7 and line 8	
4 Income not recorded on books this year	•		10 Net income per return.	
5 Expenses recorded on books this year not deducted in this return	•		Subtract line 9 from line 6	409,288
6 Total. Add line 1 through line 5		409,288		

ALAMEDA AFFORDABLE HOUSING CORPORATION

30-3010896

CA 199

CASH CONTRIBUTIONS
INCLUDED ON PART I, LINE 3

STATEMENT 1

<u>CONTRIBUTOR'S NAME</u>	<u>CONTRIBUTOR'S ADDRESS</u>	<u>DATE OF GIFT</u>	<u>AMOUNT</u>
U.S. DEPARTMENT OF HOUSNG AND URBAN DEVELOPMENT	451 7TH STREET, SW WASHINGTON, DC 20410		1,929,558.
TOTAL INCLUDED ON LINE 3			<u>1,929,558.</u>

CA 199

OTHER INCOME

STATEMENT 2

<u>DESCRIPTION</u>	<u>AMOUNT</u>
TENANT RENTS	881,759.
TOTAL TO FORM 199, PART II, LINE 7	<u>881,759.</u>

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ALAMEDA AFFORDABLE HOUSING CORPORATION30-3010896CA 199 COMPENSATION OF OFFICERS, DIRECTORS AND TRUSTEES STATEMENT 3

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HRS WORKED/WK</u>	<u>COMPENSATION</u>
ART KURRASCH 701 ATLANTIC AVENUE ALAMEDA, CA 94501	PRESIDENT 1.00	0.
KENJI TAMAOKI 701 ATLANTIC AVENUE ALAMEDA, CA 94501	VICE PRESIDENT 1.00	0.
CARLY GROB 701 ATLANTIC AVENUE ALAMEDA, CA 94501	DIRECTOR 1.00	0.
BACHIR HADID 701 ATLANTIC AVENUE ALAMEDA, CA 94501	DIRECTOR 1.00	0.
BRAD WEINBERG 701 ATLANTIC AVENUE ALAMEDA, CA 94501	DIRECTOR 1.00	0.
STUART RICKARD 701 ATLANTIC AVENUE ALAMEDA, CA 94501	DIRECTOR 1.00	0.
SANDRA KAY 701 ATLANTIC AVENUE ALAMEDA, CA 94501	DIRECTOR 1.00	0.
VANESSA COOPER 701 ATLANTIC AVENUE ALAMEDA, CA 94501	SECRETARY/EXECUTIVE DIRECT 8.00	0.
LOUIE SO 701 ATLANTIC AVENUE ALAMEDA, CA 94501	TREASURER 8.00	0.
TOTAL TO FORM 199, PART II, LINE 11		<u>0.</u>

ALAMEDA AFFORDABLE HOUSING CORPORATION30-3010896

CA 199	OTHER EXPENSES	STATEMENT 4
DESCRIPTION		AMOUNT
OTHER EMPLOYEE BENEFITS		126,174.
LEGAL FEES		136,488.
ACCOUNTING FEES		27,352.
OTHER PROFESSIONAL FEES		803,859.
OFFICE EXPENSES		106,086.
INFORMATION TECHNOLOGY		60,830.
CONFERENCES AND CONVENTIONS		3,441.
INSURANCE		32,880.
TOTAL TO FORM 199, PART II, LINE 17		1,297,110.

CA 199	OTHER ASSETS	STATEMENT 5
DESCRIPTION	BEG. OF YEAR	END OF YEAR
PREPAID EXPENSES AND DEFERRED CHARGES	39.	43,614.
CONSTRUCTION IN PROGRESS	7,740.	14,665.
OTHER ASSETS	8,841.	8,841.
DEFERRED OUTFLOW OF RESOURCES	120,457.	141,100.
REPLACEMENT RESERVE - NORTHMARQ LOAN	0.	378,295.
TOTAL TO FORM 199, SCHEDULE L, LINE 12	137,077.	586,515.

CA 199	OTHER LIABILITIES	STATEMENT 6
DESCRIPTION	BEG. OF YEAR	END OF YEAR
DUE TO RELATED PARTY	13,125,000.	0.
DUE TO AHA	69,646.	-3,710.
TENANT SECURITY DEPOSITS	74,935.	216,119.
UNEARNED REVENUE	30,283.	0.
OTHER SUBSIDY RECEIVABLE	0.	27,973.
PENSION LIABILITY	0.	162,576.
DEFERRED REVENUE	152,117.	162,185.
TOTAL TO FORM 199, SCHEDULE L, LINE 18	13,451,981.	565,143.

Voucher at bottom of page.

DO NOT MAIL A PAPER COPY OF THE CORPORATE OR EXEMPT ORGANIZATION TAX RETURN WITH THE PAYMENT VOUCHER.
 If the amount of payment is zero, do not mail this voucher.

WHERE TO FILE: Using black or blue ink, make check or money order payable to the "Franchise Tax Board." Write the corporation number, FEIN, CA SOS file number and "2019 FTB 3586" on the check or money order. Detach voucher below. Enclose, but **do not** staple, payment with voucher and mail to:
FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0531

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

WHEN TO FILE:

Corporations - File and Pay by the 15th day of the 4th month following the close of the taxable year.

S corporations - File and Pay by the 15th day of the 3rd month following the close of the taxable year.

Exempt organizations - File and Pay by the 15th day of the 5th month following the close of the taxable year.

When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

ONLINE SERVICES: Corporations can make payments online using Web Pay for Businesses. Corporations can make an immediate payment or schedule payments up to a year in advance. Go to ftb.ca.gov/pay for more information.

939035 11-12-19

--- DETACH HERE --- IF NO PAYMENT IS DUE, DO NOT MAIL THIS VOUCHER --- DETACH HERE ---

CAUTION: You may be required to pay electronically, see instructions.

TAXABLE YEAR **2019** **Payment Voucher for Corporations and Exempt Organizations e-filed Returns**

CALIFORNIA FORM
3586 (e-file)

0000000 ALAM 30-1010896 000000000000 19 FORM 3
 TYB 07-01-2019 TYE 06-30-2020
 ALAMEDA AFFORDABLE HOUSING CORPORATION

701 ATLANTIC AVENUE
 ALAMEDA CA 94501

(510) 747-4300

Amount of Payment 10.

STATE OF CALIFORNIA
 RRF-1
 (Rev. 09/2017)
 MAIL TO:
 Registry of Charitable Trusts
 P.O. Box 903447
 Sacramento, CA 94203-4470
 STREET ADDRESS:
 1300 I Street
 Sacramento, CA 95814
 (916)210-6400
 WEBSITE ADDRESS:
 www.oag.ca.gov/charities

**ANNUAL REGISTRATION RENEWAL FEE REPORT
 TO ATTORNEY GENERAL OF CALIFORNIA**

Section 12586 and 12587, California Government Code
 11 Cal. Code Regs. section 301-307, 311 and 312

Failure to submit this report annually no later than four months and fifteen days after the end of the organization's accounting period may result in the loss of tax exemption and the assessment of a minimum tax of \$800, plus interest, and/or fines or filing penalties. Revenue & Taxation Code section 23703; Government Code section 12586.1. IRS extensions will be honored.

(For Registry Use Only)

ALAMEDA AFFORDABLE HOUSING CORPORATION
 Name of Organization

List all DBAs and names the organization uses or has used

701 ATLANTIC AVENUE
 Address (Number and Street)

ALAMEDA, CA 94501
 City or Town, State, and ZIP Code

510-747-4300
 Telephone Number

E-mail Address

Check if:

- Change of address
- Amended report

State Charity Registration Number **CT0258934**

Corporation or Organization No. **4080353**

Federal Employer ID No. **30-1010896**

ANNUAL REGISTRATION RENEWAL FEE SCHEDULE (11 Cal. Code Regs. sections 301-307, 311, and 312)
 Make Check Payable to Department of Justice

Gross Annual Revenue	Fee	Gross Annual Revenue	Fee	Gross Annual Revenue	Fee
Less than \$25,000	0	Between \$100,001 and \$250,000	\$50	Between \$1,000,001 and \$10 million	\$150
Between \$25,000 and \$100,000	\$25	Between \$250,001 and \$1 million	\$75	Between \$10,000,001 and \$50 million	\$225
				Greater than \$50 million	\$300

PART A - ACTIVITIES

For your most recent full accounting period (beginning 07/01/2019 ending 06/30/2020) list:

Gross Annual Revenue \$ 2,811,426 Noncash Contributions \$ 0 Total Assets \$ 13,983,235
 Program Expenses \$ 1,614,692 Total Expenses \$ 2,402,138

PART B - STATEMENTS REGARDING ORGANIZATION DURING THE PERIOD OF THIS REPORT

Note: All questions must be answered. If you answer "yes" to any of the questions below, you must attach a separate page providing an explanation and details for each "yes" response. Please review RRF-1 instructions for information required.

	Yes	No
1. During this reporting period, were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof, either directly or with an entity in which any such officer, director or trustee had any financial interest?		X
2. During this reporting period, was there any theft, embezzlement, diversion or misuse of the organization's charitable property or funds?		X
3. During this reporting period, were any organization funds used to pay any penalty, fine or judgment?		X
4. During this reporting period, were the services of a commercial fundraiser, fundraising counsel for charitable purposes, or commercial coventurer used?		X
5. During this reporting period, did the organization receive any governmental funding?	X	
6. During this reporting period, did the organization hold a raffle for charitable purposes?		X
7. Does the organization conduct a vehicle donation program?		X
8. Did the organization conduct an independent audit and prepare audited financial statements in accordance with generally accepted accounting principles for this reporting period?		X
9. At the end of this reporting period, did the organization hold restricted net assets, while reporting negative unrestricted net assets?		X

I declare under penalty of perjury that I have examined this report, including accompanying documents, and to the best of my knowledge and belief, the content is true, correct and complete, and I am authorized to sign.

VANESSA COOPER

EXECUTIVE DIRECTOR

Signature of Authorized Agent

Printed Name

Title

Date

ALAMEDA AFFORDABLE HOUSING CORPORATION

30-~~30~~10896

CA RRF-1

INFORMATION REGARDING GOVERNMENTAL FUNDING
PART B, LINE 5

STATEMENT 7

RECIEVED HOUSING ASSISTANCE PAYMENTS FROM ALAMEDA HOUSING AUTHORITY.

Exposure Draft – For discussion purposes

ALAMEDA AFFORDABLE HOUSING CORPORATION

701 Atlantic Avenue, Alameda, CA 94501

To: Honorable Chair and Members of the Board of Commissioners

From: Sylvia Martinez, Director of Housing Development

Date: May 19, 2021

Re: Adopt Authorizing Resolutions for the Real Property Transfer of Properties to Alameda Affordable Housing Corporation, including Authority to Refinance Parrot and Eagle Village, Amend the Property and Asset Management Services Agreement, and Authorize Executive Director, or Designee, to Negotiate and Execute Related Documents

BACKGROUND

The Housing Authority (AHA) is the contract administrator for the Section 8 program in the City of Alameda, which includes Housing Assistance Payment (HAP) contracts for both the Housing Choice Voucher (HCV) and Project Based Voucher (PBV) programs. Additionally, AHA owns real property which is assisted by the HCV and PBV programs.

In 2017, the U.S. Department of Housing and Urban Development (HUD) published PIH Notice 2017-21 that clarifies HAP contract requirements for Public Housing Authority-owned units. Attachment A, Section 5, of the Notice states: "Because the HAP contract administrator and the owner cannot be the same legal entity (i.e., the PHA acting as contract administrator cannot execute a contract with itself as the owner of the PBV or HCV units), the PHA must establish a separate legal entity to serve as the owner."

On October 18, 2017, the Board of Commissioners authorized the Executive Director to create a new, wholly controlled, nonprofit entity that will serve as owner of certain Housing Authority properties in order to comply with HUD's contracting requirements. This entity is Alameda Affordable Housing Corporation (AAHC). The governing Board of AAHC is the Board of Commissioners of the Housing Authority, as defined in the bylaws. On November 20, 2019, the Board authorized staff to prepare documents to transfer each of the Housing Authority owned properties to AAHC. The details of the specific transactions must come back to the Board for approval.

In 2018, AHA began the process of transferring various properties in its portfolio to AAHC. The remaining properties are expected to transfer as of 7/1/2021.

Properties to Transition (3):

- a. Esperanza
- b. Parrot Village
- c. Eagle Village

DISCUSSION

The successful transfer of the Properties from the Housing Authority to AAHC includes various cross departmental coordination across a number of months. The properties has existing debt that must also be transferred, including two Fannie Mae loans to transfer or refinance. Where possible, the properties will transfer only the improvements, and AHA will retain the land through a ground lease arrangement. However, in the properties with Fannie Mae loans, both the land and improvements must be transferred (similar to the transfer of Independence Plaza, executed last year). There are several soft lenders, including the City and County of Alameda, which will also have to approve the transfer and negotiate various assignments and assumptions of documents.

It is the strong preference of staff to transfer at the beginning of the fiscal year (7/1/21) for audit purposes.

Transfer Transaction

The Housing Authority will convey the Properties to AAHC through a grant deed. A reversion clause permitting a ground lease structure upon loan maturity will be added to the transaction via an Option Agreement, where it is not possible to do a ground lease initially. The Properties will be conveyed to AAHC, via Grant Deed, for as-is values substantiated by appraisal. The Housing Authority will provide seller financing in the form of a Seller Promissory Note, secured with a Deed of Trust. This loan will be at 0% interest rate, 30 year term, and paid from residual cash flow. This structure is more desirable than a donation because it is least disruptive to the Housing Authority's operating budget. Currently, any cash flow from the Properties comes to the Housing Authority as the owner. Under the new structure the cash flow will come to AHA in the form of soft loan payments.

In addition to the seller financing, the Housing Authority will record an Affordable Housing Agreement to provide additional assurance of the Properties' continued use as low-income housing. New household eligibility will be restricted to 80% of the Area Median Income for the term of 20 years.

Eagle and Parrot Village share a single mortgage which is eligible for refinancing without a prepayment penalty. The existing lender has offered a streamlined refinancing package based on their existing underwriting with very favorable returns – a lower interest rate (approx. 2.8% vs 6% existing), short-term with flexibility to exit early with no prepayment penalty and an accelerated closing to meet the 7/1/21 timeline. At this point, staff recommends pursuing this refinancing as part of the transfer transaction. A term sheet is attached. The cost of refinancing is comparable to the transfer and substantial funds are released to support the portfolio and pipeline, despite a conservative 1.5 debt service coverage ratio. Staff is requesting authority to refinance the two properties at a term no longer than seven years, with a balance of no more than \$9,300,000.

Budget

Currently, these properties are part of the Housing Authority's budget cycle and the Cost Allocation Plan. The AAHC budget for the Properties will follow the same Cost Allocation Plan methodology. This budget plan will be written into the Property and Asset Management Agreement between the Housing Authority and AAHC. In addition to the budget, any residual cash flow will come back to the Housing Authority through AAHC's obligations under the Seller Loan discussed above and subject to approval by the lender.



Currently, the Housing Authority maintains a replacement reserve for the Properties, invested with either CAMP or LAIF. As part of the transfer, replacement reserve funds in the amount of \$1,000/unit will be transferred to AAHC from AHA's LAIF replacement reserve account.

Additionally, AAHC will open a new bank account for the regular operating checking account. Security Deposits will be transferred to the existing AAHC Security Deposit account established with the 2018 transfer. The Housing Authority will no longer be the trustee of these funds for the Properties.

Property Management

Unlike previous transfers, all of these properties are already managed by John Stewart & Company, which will streamline some facets of the transfer. AAHC's property management contract is with AHA, which devolves its project-level management to John Stewart & Co. AHA already has a property and asset management services agreement with JS&Co, and these Properties will be added to that contract by amendment. The proposed second amendment is attached to this report for approval.

FINANCIAL IMPACT

The seller note will be added to the AHA balance sheet, along with the corresponding loan obligations on AAHC's balance sheet. The net balance sheet impact will be eliminated on the audited financial statement. The Housing Authority will pay all expenses related to this real property transfer from the Properties' operating funds. Staff will provide a breakdown of the expected costs of the transfer as part of the Housing Department monthly report in June 2021.

RECOMMENDATION

Adopt Authorizing Resolutions for the Real Property Transfer of Properties to Alameda Affordable Housing Corporation, including Authority to Refinance Parrot and Eagle Village, Amend the Property and Asset Management Services Agreement, and Authorize Executive Director, or Designee, to Negotiate and Execute Related Documents

Respectfully submitted,

DocuSigned by:

88FEDACB7D8D461...

Sylvia Martinez
Director of Housing Development

Attachment:

1. Term Sheet – Refinancing Eagle and Parrot Village
2. Authorizing Resolution for Esperanza
3. Authority Resolution for Parrot Village
4. Authorizing Resolution for Eagle Village
5. Amendment 2 to the Property and Asset Management Services Agreement





Eagle Village & Parrot Village - Preliminary Term Sheet

Product Type
Loan Type
Interest Rate Type
Loan Term
Amortization
Prepayment Type
Prepayment Period
Interest Only Period
Interest Basis
Index
Current Index Rate
Estimated Spread
All-In Pay Rate
NOI Estimate
Estimated Cap Rate
Estimated Value
Max. LTV
Max. Loan Amount - Max. LTV
Fixed Rate (or FRE)
Min. DSC - Fixed Rate (or FRE)
Max. Loan Amount - Fixed Rate (FRE)
Borrower Request
Max. Loan Amount
New Monthly P&I (Amortizing)

1	2	3	4	5	6
<i>Fannie Mae</i>	<i>Fannie Mae</i>	<i>Fannie Mae</i>	<i>Fannie Mae</i>	<i>Fannie Mae</i>	<i>Fannie Mae</i>
MAH	MAH	MAH	MAH	MAH	MAH
Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
5 Years	5 Years	5 Years	7 Years	7 Years	7 Years
30 Years	30 Years	30 Years	30 Years	30 Years	30 Years
Yield Maintenance	3-yrs YM, then 0%	5%, 4%, 3%, 2%, 1%	Yield Maintenance	3-yrs YM, then 0%	2-yr Lockout, 5%, 4%, 3%, 2%, 1%
4.5 Year(s)	3 Year(s)	4.5 Year(s)	6.5 Year(s)	3 Year(s)	6.5 Year(s)
0 Year(s)	0 Year(s)	0 Year(s)	0 Year(s)	0 Year(s)	0 Year(s)
Actual/360	Actual/360	Actual/360	Actual/360	Actual/360	Actual/360
5-year Treasury	5-year Treasury	5-year Treasury	7-year Treasury	7-year Treasury	10-year Treasury
0.82%	0.82%	0.82%	1.27%	1.27%	1.27%
1.76%	2.02%	1.81%	1.41%	2.03%	1.49%
2.58%	2.84%	2.63%	2.68%	3.30%	2.76%
\$931,679	\$931,679	\$931,679	\$931,679	\$931,679	\$931,679
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
\$16,900,000	\$16,900,000	\$16,900,000	\$16,900,000	\$16,900,000	\$16,900,000
60%	60%	60%	60%	60%	60%
\$10,140,000	\$10,140,000	\$10,140,000	\$10,140,000	\$10,140,000	\$10,140,000
2.58%	2.84%	2.63%	2.68%	3.30%	2.76%
1.50x	1.50x	1.50x	1.50x	1.50x	1.50x
\$12,962,903	\$12,531,944	\$12,878,395	\$12,794,672	\$11,818,546	\$12,662,330
\$9,300,000	\$9,300,000	\$9,300,000	\$9,300,000	\$9,300,000	\$9,300,000
\$9,300,000	\$9,300,000	\$9,300,000	\$9,300,000	\$9,300,000	\$9,300,000
\$37,134	\$38,411	\$37,378	\$37,622	\$40,730	\$38,016

Estimated Uses/Costs	Refinance
Fannie Mae Delivery Fee	0.10% \$9,300
PNC Processing Fee	\$2,000
PNC Financing Fee	0.50% \$46,500
PNC Legal Fee	\$20,000
Fannie Mae Legal for Bond Payoff	\$5,000
Borrower Legal	\$20,000
Appraisal	\$5,000
Environmental Report	\$3,000
PCNA Report	\$5,000
Title & Recording	\$10,000
Misc.	\$2,000
Repairs	TBD
Current UPB	\$4,700,000
YM Estimate	\$0
Total Uses/Costs	\$4,827,800

Estimated Cash Out	\$4,472,200
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- Pricing and all loan terms are indicative only and is subject to change without notice. This transaction has not been formally quoted by Fannie Mae. All terms are based on preliminary underwriting and are subject to change based on final underwriting, interest rate movement, and acceptable Key Principal/Guarantor with credit and financial strength.

- This Preliminary Term sheet is not a commitment and does not create any obligation to make a loan on the part of PNC. The loan options detailed above are for discussion purposes only.

Attachment 2

ALAMEDA AFFORDABLE HOUSING CORPORATION

Resolution No. _____

At a duly constituted meeting of the Board of Directors (the "**Board**") of Alameda Affordable Housing Corporation, a California nonprofit public benefit corporation (the "**Corporation**"), held on May 19, 2021, the following resolutions were adopted:

WHEREAS, the Housing Authority of the City of Alameda, a public body, corporate and politic (the "**Authority**"), is the owner of that certain real property known as Esperanza Apartments, located at 201 Brush Street, in the City of Alameda, County of Alameda, California (the "**Property**");

WHEREAS, the Corporation was formed with the goal of owning properties of the Authority with Housing Choice Vouchers and Project-Based Vouchers so that the Authority was not both the property owner and the contract administrator for the Housing Assistance Payments contracts (the "**HAP Contracts**");

WHEREAS, the Board deems it in the best interests of the Corporation to have the Authority serve as property manager at the Properties, or delegate that responsibility to a third party agent, through a Property and Asset Management Agreement;

WHEREAS, the Board deems it in the best interests of the Corporation to purchase the Property from the Authority, thereby maintaining the required separation between owner and contract administrator for the HAP Contracts;

WHEREAS, the Board deems it to be in the best interests of the Corporation to finance the Property with a Nineteen Million One Hundred Thousand and No/100ths Dollars (\$19,100,000.00) seller loan from the Authority with a reversion clause permitting a ground lease structure upon loan maturity on July 1, 2035, secured by a recorded Deed of Trust at the Property, to be paid from no more than seventy-five percent (75.00%) the net cash flow of the Property;

WHEREAS, the Board deems it to be in the best interests of the Corporation to record a twenty (20)-year Affordable Housing Agreement against the Property (the "**Affordable Housing Agreement**"), at the time of sale to restrict occupancy to low-income households at affordable rents;

WHEREAS, the Board deems it to be in the best interests of the Corporation and the Property to accept funding from the Authority in order to capitalize a replacement reserve for the Property, at One Thousand and No/100ths Dollars (\$1,000.00) per unit, at the time of acquisition by the Corporation, and for the avoidance of doubt, such replacement reserve shall be held separate and apart from any lender-held replacement reserve under existing loans; and

WHEREAS, the Board deems it to be in the best interests of the Corporation to execute and deliver, and to perform its obligations under, any and all documents or agreements necessary or advisable in furtherance of the acquisition by the Corporation of the Property, including, without limitation, the grant deed and any other document required to transfer the Property to the Corporation, the Authority seller loan documents and deed of trust, the Affordable Housing Agreement, the HAP assignment and contract, and any similar or related agreements for housing subsidies, assignment of regulatory agreements and loan agreements, assignments of rents, leases, income and profits, and property management agreements and amendments, with the advice counsel, deemed to be consistent with the resolutions contained herein (collectively, the "**Property Transfer Documents**").

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves and authorizes the Corporation to enter into the Property Transfer Documents and such other agreements, certificates, contracts, documents, and instruments deemed necessary to assist in the transfer of the Property and to complete all activities contemplated by this Resolution;

BE IT FURTHER RESOLVED, that the Board hereby approves seller carryback financing in the form of a Seller Note and Deed of Trust for the Property based on the as-is value of Nineteen Million One Hundred Thousand and No/100ths Dollars (\$19,100,000.00), as substantiated by an appraisal, and payable from Property net cash flow;

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director to capitalize a replacement reserve account for the Property at One Thousand and No/100ths Dollars (\$1,000.00) per unit, totaling One Hundred Twenty Thousand and No/100ths Dollars (\$120,000.00);

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to negotiate, accept and execute the Property Transfer Documents subject to any minor conforming, technical or clarifying changes approved by the Executive Director, or her designee, and legal counsel. The Executive Director, or her designee, are hereby further authorized and directed to take such further actions and execute and record such documents as are necessary to negotiate, accept and execute the Property Transfer Documents.

[SIGNATURE PAGE FOLLOWS]

CERTIFICATE OF SECRETARY

I, Vanessa Cooper, hereby certify that I am the duly elected, qualified Secretary of Alameda Affordable Housing Corporation, a California nonprofit public benefit corporation, organized and existing under the laws of the State of California, and the foregoing Authorizing Resolution was adopted at a duly constituted meeting of the Corporation held on May 19, 2021.

By: _____
Vanessa Cooper
Secretary

Dated: May 19, 2021

Attachment 3

ALAMEDA AFFORDABLE HOUSING CORPORATION

Resolution No. _____

At a duly constituted meeting of the Board of Directors (the "**Board**") of Alameda Affordable Housing Corporation, a California nonprofit public benefit corporation (the "**Corporation**"), held on May 19, 2021, the following resolutions were adopted:

WHEREAS, the Housing Authority of the City of Alameda, a public body, corporate and politic (the "**Authority**"), is the owner of that certain real property known as Parrot Village, located at 1850 Wood Street, in the City of Alameda, County of Alameda, California (the "**Property**");

WHEREAS, the Corporation was formed with the goal of owning properties of the Authority with Housing Choice Vouchers and Project-Based Vouchers so that the Authority was not both the property owner and the contract administrator for the Housing Assistance Payments contracts (the "**HAP Contracts**");

WHEREAS, the Board deems it in the best interests of the Corporation to have the Authority serve as property manager at the Properties, or delegate that responsibility to a third party agent, through a Property and Asset Management Agreement;

WHEREAS, the Board deems it in the best interests of the Corporation to purchase the Property from the Authority, thereby maintaining the required separation between owner and contract administrator for the HAP Contracts;

WHEREAS, the Board deems it to be in the best interests of the Corporation to finance the Property with a Six Million Five Hundred Thousand and No/100ths Dollars (\$6,500,000.00) seller loan from the Authority with a reversion clause permitting a ground lease structure upon loan maturity, secured by a recorded Deed of Trust at the Property, to be paid from no more than seventy-five percent (75.00%) of the net cash flow of the Property;

WHEREAS, the Board deems it to be in the best interests of the Authority to refinance the existing Fannie Mae loan with a new Fannie Mae loan of no more than \$9,300,000 and a term of no more than 7 years;

WHEREAS, the Board deems it to be in the best interests of the Corporation to record a twenty (20)-year Affordable Housing Agreement against the Property (the "**Affordable Housing Agreement**"), at the time of sale to restrict occupancy to low-income households at affordable rents;

WHEREAS, the Board deems it to be in the best interests of the Corporation and the Property to accept funding from the Authority in order to capitalize a replacement reserve for the Property, at One Thousand and No/100ths Dollars (\$1,000.00) per unit, at the time of acquisition

by the Corporation, and for the avoidance of doubt, such replacement reserve shall be held separate and apart from any lender-held replacement reserve under existing loans; and

WHEREAS, the Board deems it to be in the best interests of the Corporation to execute and deliver, and to perform its obligations under, any and all documents or agreements necessary or advisable in furtherance of the acquisition by the Corporation of the Property, including, without limitation, the grant deed and any other document required to transfer the Property to the Corporation, the Authority seller loan documents and deed of trust, the Affordable Housing Agreement, the HAP assignment and contract, and any similar or related agreements for housing subsidies, assignment of regulatory agreements and loan agreements, assignments of rents, leases, income and profits, and property management agreements and amendments, with the advice counsel, deemed to be consistent with the resolutions contained herein (collectively, the "**Property Transfer Documents**").

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves and authorizes the Corporation to enter into the Property Transfer Documents and such other agreements, certificates, contracts, documents, and instruments deemed necessary to assist in the transfer of the Property and to complete all activities contemplated by this Resolution;

BE IT FURTHER RESOLVED, that the Board hereby approves the refinance the existing Fannie Mae loan with a new Fannie Mae loan with a balance of no more than \$9,300,000 and a term of no more than 7 years, and authorizes the Executive Director, or her designee, to negotiate, accept, and execute documents for such loan;

BE IT FURTHER RESOLVED, that the Board hereby approves seller carryback financing in the form of a Seller Note and Deed of Trust for the Property based on the as-is value of Six Million Five Hundred Thousand and No/100ths Dollars (\$6,500,000.00), as substantiated by an appraisal, and payable from Property net cash flow;

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director to capitalize a replacement reserve account for the Property at One Thousand and No/100ths Dollars (\$1,000.00) per unit, totaling Fifty-One Thousand and No/100ths Dollars (\$51,000.00);

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to negotiate, accept and execute the Property Transfer Documents subject to any minor conforming, technical or clarifying changes approved by the Executive Director, or her designee, and legal counsel. The Executive Director, or her designee, are hereby further authorized and directed to take such further actions and execute and record such documents as are necessary to negotiate, accept and execute the Property Transfer Documents.

[SIGNATURE PAGES FOLLOW]

CERTIFICATE OF SECRETARY

I, Vanessa Cooper, hereby certify that I am the duly elected, qualified Secretary of Alameda Affordable Housing Corporation, a California nonprofit public benefit corporation, organized and existing under the laws of the State of California, and the foregoing Authorizing Resolution was adopted at a duly constituted meeting of the Corporation held on May 19, 2021.

By: _____
Vanessa Cooper
Secretary

Dated: May 19, 2021

Attachment 4

ALAMEDA AFFORDABLE HOUSING CORPORATION

Resolution No. _____

At a duly constituted meeting of the Board of Directors (the "**Board**") of Alameda Affordable Housing Corporation, a California nonprofit public benefit corporation (the "**Corporation**"), held on May 19, 2021, the following resolutions were adopted:

WHEREAS, the Housing Authority of the City of Alameda, a public body, corporate and politic (the "**Authority**"), is the owner of that certain real property known as Eagle Village, located at 737 Eagle Avenue, in the City of Alameda, County of Alameda, California (the "**Property**");

WHEREAS, the Corporation was formed with the goal of owning properties of the Authority with Housing Choice Vouchers and Project-Based Vouchers so that the Authority was not both the property owner and the contract administrator for the Housing Assistance Payments contracts (the "**HAP Contracts**");

WHEREAS, the Board deems it in the best interests of the Corporation to have the Authority serve as property manager at the Properties, or delegate that responsibility to a third party agent, through a Property and Asset Management Agreement;

WHEREAS, the Board deems it in the best interests of the Corporation to purchase the Property from the Authority, thereby maintaining the required separation between owner and contract administrator for the HAP Contracts;

WHEREAS, the Board deems it to be in the best interests of the Corporation to finance the Property with a Twelve Million Six Hundred Fifty Thousand and No/100ths Dollars (\$12,650,000.00) seller loan from the Authority with a reversion clause permitting a ground lease structure upon loan maturity, secured by a recorded Deed of Trust at the Property, to be paid from no more than seventy-five percent (75.00%) the net cash flow of the Property;

WHEREAS, the Board deems it to be in the best interests of the Authority to refinance the existing Fannie Mae loan with a new Fannie Mae loan of no more than \$9,300,000 and a term of no more than 7 years;

WHEREAS, the Board deems it to be in the best interests of the Corporation to record a twenty (20)-year Affordable Housing Agreement against the Property (the "**Affordable Housing Agreement**"), at the time of sale to restrict occupancy to low-income households at affordable rents;

WHEREAS, the Board deems it to be in the best interests of the Corporation and the Property to accept funding from the Authority in order to capitalize a replacement reserve for the Property, at One Thousand and No/100ths Dollars (\$1,000.00) per unit, at the time of acquisition

by the Corporation, and for the avoidance of doubt, such replacement reserve shall be held separate and apart from any lender-held replacement reserve under existing loans; and

WHEREAS, the Board deems it to be in the best interests of the Corporation to execute and deliver, and to perform its obligations under, any and all documents or agreements necessary or advisable in furtherance of the acquisition by the Corporation of the Property, including, without limitation, the grant deed and any other document required to transfer the Property to the Corporation, the Authority seller loan documents and deed of trust, the Affordable Housing Agreement, the HAP assignment and contract, and any similar or related agreements for housing subsidies, assignment of regulatory agreements and loan agreements, assignments of rents, leases, income and profits, and property management agreements and amendments, with the advice counsel, deemed to be consistent with the resolutions contained herein (collectively, the "**Property Transfer Documents**").

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves and authorizes the Corporation to enter into the Property Transfer Documents and such other agreements, certificates, contracts, documents, and instruments deemed necessary to assist in the transfer of the Property and to complete all activities contemplated by this Resolution;

BE IT FURTHER RESOLVED, that the Board hereby approves the refinance the existing Fannie Mae loan with a new Fannie Mae loan with a balance of no more than \$9,300,000 and a term of no more than 7 years, and authorizes the Executive Director, or her designee, to negotiate, accept, and execute documents for such loan;

BE IT FURTHER RESOLVED, that the Board hereby approves seller carryback financing in the form of a Seller Note and Deed of Trust for the Property based on the as-is value of Twelve Million Six Hundred Fifty Thousand and No/100ths Dollars (\$12,650,000.00), as substantiated by an appraisal, and payable from Property net cash flow;

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director to capitalize a replacement reserve account for the Property at One Thousand and No/100ths Dollars (\$1,000.00) per unit, totaling Thirty-Six Thousand and No/100ths Dollars (\$36,000.00);

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee, acting alone, to negotiate, accept and execute the Property Transfer Documents subject to any minor conforming, technical or clarifying changes approved by the Executive Director, or her designee, and legal counsel. The Executive Director, or her designee, are hereby further authorized and directed to take such further actions and execute and record such documents as are necessary to negotiate, accept and execute the Property Transfer Documents.

[SIGNATURE PAGES FOLLOW]

CERTIFICATE OF SECRETARY

I, Vanessa Cooper, hereby certify that I am the duly elected, qualified Secretary of Alameda Affordable Housing Corporation, a California nonprofit public benefit corporation, organized and existing under the laws of the State of California, and the foregoing Authorizing Resolution was adopted at a duly constituted meeting of the Corporation held on May 19, 2021.

By: _____
Vanessa Cooper
Secretary

Dated: May 19, 2021

Attachment 5

**AMENDMENT NO. 2 TO THE PROPERTY AND
ASSET MANAGEMENT SERVICES AGREEMENT**

This Amendment of the Property and Asset Management Services Agreement made by and between Alameda Affordable Housing Corporation ("Owner"), and The Housing Authority of the City of Alameda, ("Agent"), is made with reference to the following:

RECITALS

A. On May 1, 2018, a Property and Asset Management Services Agreement was entered into by and between Alameda Affordable Housing Corporation ("Owner"), and The Housing Authority of the City of Alameda ("Agent"), for Property and Asset Management services for certain residential improved properties located in Alameda, California, commonly known as:

1. China Clipper Plaza, 460 Buena Vista Avenue (26 units);
2. Anne B. Diament, 920 Park Street (65 units);
3. Lincoln-Willow Apartments, 2101-3 Lincoln Avenue (5 units); and
4. Stanford House, 1917 Stanford Street (4 units);

B. On February 19, 2020, the Owner included an additional property and obtained the services of Agent for the purpose of managing and operating that certain residential property known as Independence Plaza located at 703 Atlantic Avenue in Alameda, California.

C. The original expiration date of the contract was June 30, 2020.

D. The effective date of the First Amendment was February 19, 2020 and the expiration date was extended to June 30, 2022.

E. Owner desires to include three additional properties and obtain the services of Agent for the purpose of managing and operating those certain residential properties known as:

1. Esperanza at 201 Brush Street, Alameda, CA
2. Eagle Village at 737 Eagle Avenue, Alameda, CA
3. Parrott Village at 1850 Wood Street, Alameda, CA

E. All conditions of the Consultant Agreement will remain the same except as amended below.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. The attached Exhibit A replaces in full the Exhibit A of the original 2018 Agreement, as amended by the First Amendment.

AMENDMENT NO. 2 TO THE PROPERTY AND ASSET MANAGEMENT SERVICES AGREEMENT

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2. The contract term shall be not be modified. The original Agreement term shall be in effect until June 30, 2022.

IN WITNESS WHEREOF, the parties hereto have caused this modification of the Property and Asset Management Services Agreement to be executed on the day and year first above written.

OWNER
Alameda Affordable Housing Corporation

AGENT
Housing Authority of the City of Alameda

Vanessa Cooper
Executive Director

Vanessa Cooper
Executive Director

EXHIBIT A

**FEES FOR PROPERTY MANAGEMENT, ASSET MANAGEMENT, AND
CONSULTING SERVICES**

Name of Firm: The Housing Authority of the City of Alameda

Properties Covered by this Proposed Schedule:

**China Clipper Plaza, 460 Buena Vista Avenue
Anne B. Diament, 920 Park Street
Lincoln-Willow, 2101-3 Lincoln Avenue
Stanford House, 1917 Stanford Street
Independence Plaza, 703 Atlantic Avenue
Esperanza at 201 Brush Street
Eagle Village at 737 Eagle Avenue
Parrott Village at 1850 Wood Street**

These Properties are a part of the Housing Authority's annual budget cycle and the Cost Allocation Plan, approved by the Board of Commissioners of the Housing Authority of the City of Alameda. The budget for these Properties will follow the same Cost Allocation Plan methodology until such time that Board action changes this.