



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

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701 Atlantic Avenue • Alameda, California 94501-2161

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**AGENDA**                    **REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**DATE & TIME**           **Wednesday, March 18, 2026 - 7:01 PM**  
**LOCATION**

Independence Plaza, 703 Atlantic Avenue, Alameda - Ruth Rambeau Memorial Community Room

**PUBLIC PARTICIPATION** Public access to this meeting is available as follows:

To Attend In-Person -  
Independence Plaza, 703 Atlantic Avenue, Alameda - Ruth Rambeau Memorial Community Room

Join Zoom Meeting  
<https://us06web.zoom.us/j/85229497654?pwd=ERF4c2daq8Agm7t8SwqaXfix0iHEve.1>

Meeting ID: 852 2949 7654  
Passcode: 141405

By Phone (through Zoom):  
Find your local number: <https://us06web.zoom.us/u/kelQZ99OFI>  
Meeting ID: 852 2949 7654  
Passcode: 141405

Persons wishing to address the Board of Directors are asked to submit comments for the public comment period of the Agenda as follows:

- Send an email with your comment(s) to [jpolar@alamedahsg.org](mailto:jpolar@alamedahsg.org) and [hainfo@alamedahsg.org](mailto:hainfo@alamedahsg.org) prior to or during the Board of Directors meeting.
- Call and leave a message at (510) 871-7435, TTY/TRS: 711.
- Complete a speaker card in the meeting room on the day of the meeting.

Written comments may also be submitted via US Mail to:  
Attn: Clerk of the Board  
Housing Authority of the City of Alameda  
701 Atlantic Avenue  
Alameda, CA 94501

Written comments received by the Housing Authority prior to 12 Noon on the day of the meeting will be posted on the Housing Authority's website and presented at the meeting



during the public comment period. Written comments received by the Housing Authority after 12 Noon, but prior to the meeting start time, will only be presented during the public comment period. Please mark any submission as "Public Comment" and indicate which agenda item they relate to.

- The public comment period is limited to three minutes per speaker.

Persons in need of special assistance to participate in the meetings of the Housing Authority of the City of Alameda, please contact (510) 747-4325 (voice), TTY/TRS: 711, or [jpolar@alamedahsg.org](mailto:jpolar@alamedahsg.org). Notification 72 hours prior to the meeting will assist the Housing Authority of the City of Alameda to make reasonable arrangements to provide accessibility or language assistance.

## PLEDGE OF ALLEGIANCE

1. ROLL CALL - Board of Directors
2. REMOTE PARTICIPATION PURSUANT TO RALPH M. BROWN ACT (Government Code Section 54950 et seq.) ("Brown Act") : Remote Participation Pursuant to Ralph M. Brown Act (Government Code Section 54950 et seq.) ("Brown Act") : The Chair will identify whether any Commissioners are attending the meeting via teleconference pursuant to the Brown Act.
3. DIRECTOR RECUSALS
4. Motion to Accept the Order of the Board of Directors Agenda for the March 18, 2026 Meeting.
5. Public Comment (Non-Agenda)
6. CONSENT CALENDER  
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 Directors or a member of the public.
- 6.A. Approve Minutes of the Regular Board of Director Meetings held on February 18, 2026. **Page 4**
- 6.B. Accept the Audited Financial Statements Report for Fiscal Year Ending June 30, 2025 and Authorize the Executive Director to Approve and Finalize, with no material changes to the financial position as presented in the Draft Audited Financial Statements. **Page 7**
7. AGENDA
8. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)
9. WRITTEN COMMUNICATIONS
10. EXECUTIVE DIRECTOR'S COMMUNICATIONS
11. DIRECTORS COMMUNICATIONS, (Communications from the Directors)
12. ADJOURNMENT OF REGULAR MEETING

\* \* \* Note \* \* \*



Documents related to this agenda are available for public inspection and copying at the Alameda Affordable Housing Corporation office, 701 Atlantic Avenue, during normal business hours.

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 Directors exists to conduct the business of its constituents. Deliberations are conducted before the people and are open for the people's review, subject to limited statutory exceptions.

In order to assist the Alameda Affordable Housing Corporation'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 Alameda Affordable Housing Corporation accommodate these individuals.





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**DRAFT MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
WEDNESDAY, FEBRUARY 18, 2026**

PLEDGE OF ALLEGIANCE

Director Grob called the meeting to order at 7:55 p.m.

1. ROLL CALL - Board of Directors

Present: Director Grob, Director Decoy, Director Husby,  
and Director Tamaoki

General

Counsel: Gabrielle B. Janssens, Goldfarb & Lipman LLP

Absent: Director Sidelnikov, Director Joseph-Brown, and Director Kaufman

2. AB2449 COMPLIANCE "AB2449 Compliance: The Chair will confirm that there are 4 members in the same, properly noticed meeting room within the jurisdiction of the City of Alameda. Each board member who is accessing the meeting remotely must disclose verbally whether they are able to be remote under AB2449: (1) just cause (max. 2 per year), or (2) emergency circumstances." For Emergency Circumstances, the request must be approved by a majority vote of the Board of Directors for the emergency circumstances to be used as a justification to participate remotely. Remote Directors must provide a general description of the circumstances relating to need to appear remotely at the given meeting. Director must also publicly disclose at the meeting, prior to any action, whether any other individuals 18 years or older are present in the room with the member at the remote location, and the general nature of the member's relationship with such individuals. Note: A Director cannot participate in meetings of the Board of Directors solely by teleconference from a remote location for a period of more than 3 consecutive months or 20% of the regular meetings for AAHC within a calendar year, or more than 2 meetings if the Board of Directors regularly meets fewer than 10 times per calendar year.

Director Grob confirmed that there are 4 Directors present in the noticed meeting room in the City of Alameda and no Directors are requesting a reasonable accommodation.



3. DIRECTOR RECUSALS

None.

4. Motion to Accept the Order of the Board of Directors Agenda for the February 18, 2026 Meeting.

Public comment: None.

Director Tamaoki moved to accept the Order of the Board of Directors Agenda for the January 21, 2026 Meeting, and Director Husby seconded. The motion passed unanimously.

5. Public Comment (Non-Agenda)

None.

6. CONSENT CALENDER

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 Directors or a member of the public.

\*6.A. Approve Minutes of the Regular Board of Directors Meetings held on December 16, 2025 and January 21, 2026.

\*6.B. Accept the Quarterly Report on the Property Financials for properties owned by the Housing Authority of the City of Alameda (AHA), Alameda Affordable Housing Corporation (AAHC), and Island City Development (ICD) for the period ending December 31, 2025.

\*6.C. Approve the Quarterly Write-off, to December 31, 2025, of Uncollectible Accounts Receivable from Former Residents.

**Items accepted or adopted are indicated by an asterisk.**

Director Husby moved to accept the Consent Calendar items, and Director Tamaoki seconded. The motion passed unanimously.

Yes	4	Director Grob, Director Decoy, Director Husby, and Director Tamaoki
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No	0
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Opposed	0
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7. AGENDA

N/A



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

None.

9. WRITTEN COMMUNICATIONS

None.

10. EXECUTIVE DIRECTOR'S COMMUNICATIONS

None.

11. DIRECTORS COMMUNICATIONS, (Communications from the Directors)

None.

12. ADJOURNMENT OF REGULAR MEETING

Director Grob adjourned the meeting at 7:57 p.m.

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Vanessa M. Cooper  
Secretary and Executive Director

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Carly Grob, President  
Board of Directors

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Gabrielle B. Janssens,  
General Counsel, Goldfarb and Lipman LLC  
Reviewed for form





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To: Board of Directors  
From: Louie So, Chief Financial Officer  
Prepared By: Louie So, Chief Financial Officer

Date: March 18, 2026

Re: Accept the Audited Financial Statements Report for Fiscal Year Ending June 30, 2025 and Authorize the Executive Director to Approve and Finalize, with no material changes to the financial position as presented in the Draft Audited Financial Statements.  
6.B.

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## **BACKGROUND**

The financial statements of the Housing Authority of the City of Alameda (AHA) for the fiscal year ending June 30, 2025 were prepared in the format prescribed by the requirements of Government Accounting Standards Board Statement 34 (GASB 34). AHA's nonprofit affiliate corporation, the Alameda Affordable Housing Corporation (AAHC), is deemed a blended component unit with the Housing Authority of the City of Alameda and is presented in the audited financial statements. The condensed financial information for AAHC is presented in Note 18 of the attached draft audited financial statements. These draft audited financial statements also incorporate the audited financial statements for AHA's development affiliate corporation, Island City Development (ICD), which is presented separately as a discretely presented component unit. The financial position for ICD is presented on a calendar-year basis ending December 31, 2024. The different reporting year-ends are necessary as Alameda Housing Authority (AHA) reports based on federal (HUD) reporting requirements and funding cycle (and are bound by federal rules for financial reporting, financial management and budgeting). ICD is based on a calendar year-end to facilitate low-income housing tax credit rules by the Internal Revenue Service, California Tax Credit Allocation Committee requirements, tax credit equity and lender reporting.

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. The public accounting firm Novogradac & 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, 2025. The draft audited financial statements and the list of adjusting journal entries are attached. The Executive Director will approve and finalize the audited financial statements once the Board of Commissioners provide their acceptance of the draft audited financial statements attached to this



memorandum, with no material changes to the financial position of the draft. These changes may include immaterial updates to the financial data presented in the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position amid the Statement of Cash Flows. Additionally, these changes may include clarifying language updates and the incorporation of additional exhibits. Once finalized, the audited financial statements will be posted on the agency's website, submitted to HUD, submitted to the Federal Clearinghouse and other stakeholders.

## **DISCUSSION**

Novogradac and Company LLP will present the draft audited financial statements in the March 18, 2026 Board of Commissioners meeting.

On a total reporting entity basis (i.e. AHA, AAHC and ICD), total assets and deferred outflows or resources was \$337,683,796, with \$26,761,788 classified as cash equivalents (restricted and non-restricted) and \$160,807,653 classified as Total Net Position (i.e. total assets less total liabilities) in the Statement of Net Position report. This illustrates that the reporting entity has sufficient liquidity for short term needs as well as sufficient total resources for future expenditures. The Statement of Revenues, Expenses and Changes in Net Position presents a positive Net Operating Income of \$7,181,216 (analogous to operating cash flow).

The Management Discussion and Analysis portion of the audited financial statements will further discuss the financial highlights and a year over year variance analysis of the financial statements. Staff have reviewed the updated actuarial projections (provided by Nicolay Consulting Group) based on assumptions as we monitor pension stabilization. No action is deemed necessary as the unfunded pension liability is within 90%-110% of the funding level during the last soft restart based on the additional discretionary payment of \$1,000,000 made in calendar year 2020. It is still anticipated that the unfunded accrued liability will be fully paid down by the early 2040s, if not sooner. In addition, the balance of the CalPERS sponsored California Employer's Retiree Benefit Trust that is used to pre-fund the Authority's Other Post Employment Benefit ("OPEB") is greater than the current OPEB liability. Each of the pension and OPEB trust plans will change due to market conditions, and staff will continue to report to the Board of Commissioners on an annual basis.

The draft report presents an unqualified audit opinion, which means that the financial statements present fairly, in all material respects, the financial position of the Housing Authority of the City of Alameda and its blended component unit (Alameda Affordable Housing Corporation) as of June 30, 2025 are in conformity with US Generally Accepted Accounting Principles (US GAAP). It also presents the December 31, 2024 activity for Island City Development. Once the audited financial statements are approved by the Board and finalized by Novogradac & Company LLP, the Financial Data Submission (FDS) report which is an exhibit to the audited financial statements, is expected to be electronically submitted to HUD ahead of the March 31, 2026 deadline.

Additionally, if there are any non-financial position findings (such as on the Schedule of Findings and Questioned Costs) after the draft presented in the March 18, 2026 Board of Commissioners meeting and prior to finalization of the reports, staff will finalize the audited financial statements (with no material impacts to financial position) and submit to HUD by the March 31, 2026 deadline, and invite Novogradac and Company LLP to present these non-financial position findings in April 2026 and any remediation, if needed.



**FISCAL IMPACT**

Financial reporting only.

**CEQA**

N/A

**RECOMMENDATION**

Accept the Audited Financial Statements Report for Fiscal Year Ending June 30, 2025 and Authorize the Executive Director to Approve and Finalize, with no material changes to the financial position as presented in the Draft Audited Financial Statements.

**ATTACHMENTS**

1. AHA DRAFT AUDIT - 3.12.2026 PUBLISHED

Respectfully submitted,



Louie So, Chief Financial Officer

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**JUNE 30, 2025**

**WITH  
REPORT OF INDEPENDENT AUDITORS**

**DRAFT**

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**  
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**JUNE 30, 2025**

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners  
Housing Authority of the City of Alameda:

### ***Opinions***

We have audited the accompanying financial statements of the business-type activities (primary government) and the discretely presented component unit of Housing Authority of the City of Alameda (the "Authority") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the accompanying table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the primary government and the discretely presented component unit of the Authority, as of June 30, 2025, and the changes in their financial position and where applicable, their cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit (Island City Development and Subsidiaries). Those statements, which were prepared in accordance with the accounting standards issued by the Financial Accounting Standards Board, were audited by other auditors whose report has been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of the discretely presented component unit, to conform those financial statements to present in accordance with the accounting standards issued by the Governmental Accounting Standards Board. Our opinions, as they relate to the amounts included for the discretely presented component unit, prior to these conversion adjustments, are based solely on the reports of the other auditors.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required pension and other post employment benefit information 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.

### ***Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards is presented for the purpose 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 not a required part of the basic financial statements. The accompanying financial data schedule is also not a required part of the basic financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

The schedule of expenditures of federal awards and financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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. In our opinion, the schedule of expenditures of federal awards and financial data schedule 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 TBD 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 the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

TBD  
Toms River, New Jersey

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

DRAFT

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR  
THE YEAR ENDED JUNE 30, 2025**

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 and its affiliated consolidated entities for the fiscal year ended June 30, 2025. The following management's discussion and analysis will present the results of the Authority's operations, which includes Alameda Affordable Housing Corporation ("Primary Government"). Please note that the financial activities of the Authority's calendar year affiliate, Island City Development, are not included in this discussion.

Key financial information for the current fiscal year ending June 30, 2025 will be compared with those of the prior year ended June 30, 2024.

**Financial Highlights**

- The assets and deferred outflows of the Authority exceeded its liabilities and deferred inflows at the close of fiscal year resulting in a net position of \$136,098,468 at June 30, 2025, as opposed to \$130,048,322 at June 30, 2024.
- Total assets and deferred outflows of resources at June 30, 2025 were \$189,586,314. Total assets and deferred outflows of resources at June 30, 2024, were \$185,076,862.
- Capital assets, net of accumulated depreciation was \$83,867,396 at June 30, 2025, from \$82,056,035 at June 30, 2024. Capital assets are reflected at cost, less accumulated depreciation for all purchased capital assets.
- Total liabilities and deferred inflows of resources at June 30, 2025, were \$53,487,846. Total liabilities and deferred inflows of resources at June 30, 2024 were \$55,028,540.
- Total operating and non-operating revenues for the Authority for fiscal year 2025 and 2024 were \$63,162,381 versus \$56,687,500, respectively. The primary sources of revenue were governmental grants including Section 8 Housing Choice Vouchers Program Housing Assistance Payment ("HAP") grants, County of Alameda grants via the Shelter Plus Care federal passthrough program, City of Alameda grants, Alameda Unified School District pass-through grants, tenant rents collected from the Authority-owned properties and interest income.
- Total operating and non-operating expenses for the Authority for fiscal year 2025 and 2024 were \$57,108,908 versus \$52,581,210, respectively. This is driven by higher housing assistance payments to Alameda landlords (increase of \$3,910,149 fiscal year over year) and higher administrative expenses (increase of \$979,320 year over year). The higher administrative expenses are driven mostly from budgeted salary and benefits costs from the permanent employees and temporary contractors.
- The major program expenditure, as reflected on the statement of revenues, expenses, and changes in net position, was for HAP. There were \$34,915,015 of HAP expenses for fiscal year 2025 versus \$31,004,866 in fiscal year 2024. For fiscal year 2025 and 2024, please note that \$11,365,527 and \$9,678,290, are not presented in the financial statement presentation for both Grant Revenues and HAP, as these payments are paid from HUD to the Authority as landlord for Authority-owned properties. These amounts are removed and eliminated from financial statement presentation only.

**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 a statement of net position, statement of revenues, expenses, and changes in net position, statement of cash flows and notes to the financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR  
THE YEAR ENDED JUNE 30, 2025**

**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 U.S. Department of Housing and Urban Development ("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 Governmental 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.

**Component Units**

In 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 except under Note 18 of the financial statements. As a non-profit corporation, AAHC is required to file informational tax returns.

As is more fully described in Note 1, the government-wide financial statements include the financial information of Island City Development (a California non-profit corporation), a discretely presented 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, as the financial year is on a calendar year basis. As a non-profit corporation, Island City Development is required to file an informational tax return.

These aforementioned reports may be obtained at the Authority's website at [www.alamedahsg.org](http://www.alamedahsg.org) and at [www.islandcitydevelopment.org](http://www.islandcitydevelopment.org) or at the Authority's administrative office located at 701 Atlantic Avenue, Alameda, California.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR  
THE YEAR ENDED JUNE 30, 2025**

**Supplementary Information**

The schedule of expenditures of federal awards, the pension and Other Post Employment Benefits (“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 ending June 30, 2024. 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.

**Comparative Statements of Net Position (Primary Government Only)**

The following table reflects the statement of net position at June 30, 2025, compared to the prior fiscal year ended June 30, 2024.

<b>Financial Accounts</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>\$ Variance</b>	<b>% Variance</b>
Current Assets	28,356,984	29,181,002	(824,018)	-3%
Other noncurrent assets	75,161,863	70,627,232	4,534,631	6%
Capital assets, net of accumulated depreciation	83,867,396	82,056,035	1,811,361	2%
Total Assets	187,386,243	181,864,269	5,521,974	3%
Deferred outflow of resources	2,200,071	3,212,593	(1,012,522)	-32%
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b>189,586,314</b>	<b>185,076,862</b>	<b>4,509,452</b>	<b>2%</b>
Current liabilities	5,158,382	5,193,329	(34,947)	-1%
Noncurrent liabilities	29,535,051	30,940,228	(1,405,177)	-5%
Total liabilities	34,693,433	36,133,557	(1,440,124)	-4%
Deferred inflow of resources	18,794,413	18,894,983	(100,570)	-1%
Net investment in capital assets	57,501,239	53,717,400	3,783,839	7%
Restricted	3,481,295	1,973,574	1,507,721	76%
Unrestricted	75,115,934	74,357,348	758,586	1%
<b>Total Net Position</b>	<b>136,098,468</b>	<b>130,048,322</b>	<b>6,050,146</b>	<b>5%</b>

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR  
THE YEAR ENDED JUNE 30, 2025**

**Comparative Statements of Revenues, Expenses, and Changes in Net Position (Primary Government Only)**

The following table presents the statement of revenues, expenses, and changes in net position for the fiscal year ended June 30, 2025, compared to the prior fiscal year ended June 30, 2024.

<b>Financial Accounts</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>\$ Variance</b>	<b>% Variance</b>
Operating Revenues				
Grants and Other Revenues	57,990,494	50,918,866	7,071,628	14%
Tenant Rents	4,306,965	4,717,727	(410,762)	-9%
Non-Operating Revenues				
Interest Income	864,922	1,050,907	(185,985)	-18%
<b>Total Revenues</b>	<b>63,162,381</b>	<b>56,687,500</b>	<b>6,474,881</b>	<b>11%</b>
Operating Expenses				
Administrative	12,702,460	11,723,140	979,320	8%
Utilities	798,965	900,812	(101,847)	-11%
Maintenance	3,638,768	3,673,266	(34,498)	-1%
Protective Services, Insurance and General	1,305,562	1,435,669	(130,107)	-9%
Tenant Services	959,677	1,019,853	(60,176)	-6%
Housing Assistance Payments	34,915,015	31,004,866	3,910,149	13%
Depreciation (Non-Cash)	1,822,737	1,762,308	60,429	3%
Non-operating expenses:				
Interest Expense	965,724	1,061,296	(95,572)	-9%
<b>Total Expenses</b>	<b>57,108,908</b>	<b>52,581,210</b>	<b>4,527,698</b>	<b>9%</b>
<b>Change in net position</b>	<b>6,053,473</b>	<b>4,106,290</b>	<b>1,947,183</b>	<b>47%</b>
Other Gain/(Loss)	(3,327)	(654,964)	651,637	-99%
Net position, beginning	130,048,322	126,596,996	3,451,326	3%
<b>Net position, ending</b>	<b>136,098,468</b>	<b>130,048,322</b>	<b>6,050,146</b>	<b>5%</b>

Changes to Total Revenues and Total Expenses were discussed in the Financial Highlights section. Please note that the Change in net position is similar to the concept of operating income (with accounting adjustments) of \$6,053,473 and generally, cash flow is higher than budgeted for that fiscal year due to cost savings due to staff vacancies and other operating savings.

As noted previously HAP received from HUD as income by the Authority and paid to Authority-owned properties are eliminated from financial statement presentation, with a net zero effect on Net Position.

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

As indicated in the above comparative statements, the Authority's net position as of June 30, 2025 was \$136,098,468, increased from \$130,048,322 as of June 30, 2024.

**Changes in Capital Assets (Primary Government Only)**

The following presents the changes in fixed assets (net of accumulated depreciation) at June 30, 2025, versus the prior fiscal year ended June 30, 2024.

<b>Financial Accounts</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>\$ Variance</b>	<b>% Variance</b>
Land	60,726,239	60,726,239	-	0%
Construction in progress	4,199,632	2,501,992	1,697,640	68%
Buildings and improvements	56,373,010	54,436,551	1,936,459	4%
Equipment	431,739	431,740	(1)	0%
<b>Total Capital Assets</b>	<b>121,730,620</b>	<b>118,096,522</b>	<b>3,634,098</b>	<b>3%</b>
less: Accumulated Depreciation	(37,863,224)	(36,040,487)	(1,822,737)	5%
<b>Capital Assets, net of Accumulated Depreciation</b>	<b>83,867,396</b>	<b>82,056,035</b>	<b>1,811,361</b>	<b>2%</b>

Additional information pertaining to capital assets is found in Note 4 to the financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR  
THE YEAR ENDED JUNE 30, 2025**

**Changes in Long-Term Debt (Primary Government Only)**

The following presents the changes in long-term debt at June 30, 2025, versus the prior fiscal year of June 30, 2024.

<b>Financial Account</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>\$ Variance</b>	<b>% Variance</b>
Long-Term Debt	26,347,328	28,453,774	(2,106,446)	-7%

Additional information pertaining to long-term debt is found in Note 10 to the financial statements.

**Unfunded Pension Liability and Other Post Employment Benefits Liability Stabilization**

In 2016, the Authority made a payment of \$1,000,000 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 pre-fund 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. This mechanism will allow the Authority to pace the contribution based on its ability to fund the liability. If the unfunded pension liability is within 90%-110% of funding level as expected of the soft-fresh start payment mechanism, no action will be taken. If the unfunded pension liability is below 90% or above the 110% of funding level pursuant to the soft-fresh start payment mechanism, the Authority will escalate to the Board of Commissioners on whether there is any necessary course of action.

Staff have reviewed the updated actuarial projections provided by Nicolay Consulting Group. No action is deemed necessary as the unfunded pension liability funding level is within 90%-110%. At the issuance of this report, the funding level is projected to be 97% of the soft-fresh start mechanism, assuming the published 11.6% CalPERS net investment return for the 12-month period ending June 30, 2025. Note that the current long-term discount rate published by CalPERS is at 6.8%, and future investment performance will have an impact on this rate. It is still anticipated that the unfunded accrued liability will be fully paid down in the early 2040s.

Furthermore, during the fiscal year ended June 30, 2018, the Authority entered into an agreement and funded a CalPERS sponsored California Employers' Retiree Benefit Trust ("CERBT") Fund to pre-fund the Authority's Other Post Employment Benefit ("OPEB") liabilities. The Authority is expected to withdraw earnings from this CERBT on an annual basis.

Both the CalPERS and OPEB trust fund audited financial statements may be obtained from the CalPERS administrative offices located at 400 Q Street, Sacramento, California or at <http://www.calpers.ca.gov>. Although subject to change based on earnings of the investments and continued required contributions to fund the liability, it is projected that the unfunded accrued liabilities owed to CalPERS will be fully paid by the 2040's. The Housing Authority of the City of Alameda staff will continue to monitor this periodically and report to the Board of Commissioners. Further information on the pension, including pension and liabilities can be found in Note 14 to the financial statements.

**Economic Factors**

The Authority is primarily dependent upon the federal government, specifically 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.

In addition, HUD alerted the Authority in March 2025 that there will be a reduction of funding to the Emergency Housing Voucher program. HUD will not provide any additional calendar year HAP renewal funding for this program beyond calendar year 2025, with any remaining amounts available to cover Emergency Housing Vouchers in 2026 only.

The Authority's annual revenues for the Housing Choice Vouchers Program is 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 Vouchers Program. Therefore, for any given fiscal year the Authority's revenues for the Housing Choice Vouchers Program may be more or less than the expenses for the program.

The Authority also provides project-based vouchers to Authority owned and legal affiliates' owned projects, as

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR  
THE YEAR ENDED JUNE 30, 2025**

these vouchers are attached specifically to the apartment and not to the tenant. These vouchers make the apartment's revenue more stable and predictable.

The year of expiration of the project-based voucher contract is as follows:

1. Park Alameda (The Alameda Islander, LP) – 2027
2. Breakers at Bayport (The Breakers at Bayport, LP) – 2028
3. Jack Capon Villa (Jack Capon Villa, LP) – 2029
4. Stargell Commons (Stargell Commons, LP) – 2032
5. Littlejohn Commons (Sherman and Buena Vista, LP) – 2033
6. Anne B. Diamant Plaza (AAHC) – 2038
7. China Clipper Plaza (AAHC) – 2038
8. Lincoln Willow (AAHC) – 2038
9. Stanford House (AAHC) – 2038
10. Everett Commons (Everett and Eagle, LP) – 2038
11. Parrot Village (AAHC) – 2039
12. Shinsei Gardens Apartments (Shinsei Gardens Apartment, LP) – 2039
13. Independence Plaza (Housing Authority of the City of Alameda) – 2040 and 2044
14. Rosefield Village (Constitution and Eagle, LP) – 2042
15. Estuary I (Lakehurst and Mosley, LP) – 2045
16. Linnet Corner (Mabuhay and Lakehurst, LP) – 2045
17. Esperanza (AAHC) - 2045

**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 Chief Financial Officer at the Housing Authority of the City of Alameda, 701 Atlantic Avenue, Alameda, California 94501.

**FINANCIAL STATEMENTS**

DRAFT

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2025**

ASSETS

	Primary Government	Discretely Presented Component Unit	Total Reporting Entity (Memorandum Only)
<b>Current assets:</b>			
Cash and cash equivalents	\$ 23,101,019	\$ 3,660,769	\$ 26,761,788
Tenant security deposits	481,185	123,160	604,345
Accounts receivable, net	4,537,092	91,940	4,629,032
Leases receivable, current portion	23,971	-	23,971
Prepaid expenses	72,303	711,410	783,713
Accrued interest receivable	141,414	-	141,414
Total current assets	<u>28,356,984</u>	<u>4,587,279</u>	<u>32,944,263</u>
<b>Non-current assets:</b>			
Restricted cash	2,873,888	1,203,356	4,077,244
Notes receivable	71,057,487	-	71,057,487
Capital assets, net	83,867,396	122,553,976	206,421,372
Leases receivable, net of current portion	243,795	19,286,557	19,530,352
Right of use asset - leases, net	123,792	-	123,792
OPEB asset	607,407	-	607,407
Other assets, net of current portion	255,494	466,314	721,808
Total non-current assets	<u>159,029,259</u>	<u>143,510,203</u>	<u>302,539,462</u>
Total assets	<u>187,386,243</u>	<u>148,097,482</u>	<u>335,483,725</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan	1,992,282	-	1,992,282
OPEB Plan	207,789	-	207,789
Total deferred outflows of resources	<u>2,200,071</u>	<u>-</u>	<u>2,200,071</u>
Total assets and deferred outflows of resources	<u>\$ 189,586,314</u>	<u>\$ 148,097,482</u>	<u>\$ 337,683,796</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**  
**STATEMENT OF NET POSITION (continued)**  
**AS OF JUNE 30, 2025**

LIABILITIES

	Primary Government	Discretely Presented Component Unit	Total Reporting Entity (Memorandum Only)
Current liabilities:			
Accounts payable	\$ 1,709,426	\$ 8,702,372	\$ 10,411,798
Accounts payable - HUD	16,142	-	16,142
Accounts payable - other government	-	1,804,465	1,804,465
Accrued expenses	251,973	-	251,973
Accrued compensated absences, current	414,596	-	414,596
Tenant security deposits	464,274	122,454	586,728
Accrued interest payable	1,240,777	4,235,599	5,476,376
Current portion of bonds and notes payable	568,808	382,259	951,067
Unearned revenue	158,699	2,161	160,860
Lease liability, current	76,174	-	76,174
Other current liabilities	<u>257,513</u>	<u>30,024</u>	<u>287,537</u>
Total current liabilities	<u>5,158,382</u>	<u>15,279,334</u>	<u>20,437,716</u>
Non-current liabilities:			
Accrued compensated absences, net of current portion	152,988	-	152,988
Long-term portion of bonds and notes payable	25,778,520	106,604,994	132,383,514
Accrued pension	3,537,095	-	3,537,095
Lease liability, net of current portion	66,448	-	66,448
Other non-current liabilities	<u>-</u>	<u>1,503,969</u>	<u>1,503,969</u>
Total non-current liabilities	<u>29,535,051</u>	<u>108,108,963</u>	<u>137,644,014</u>
Total liabilities	<u>34,693,433</u>	<u>123,388,297</u>	<u>158,081,730</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan	414,028	-	414,028
OPEB plan	807,274	-	807,274
GASB 87 - lease receivable	162,930	-	162,930
GASB 87 - ground leases	<u>17,410,181</u>	<u>-</u>	<u>17,410,181</u>
Total deferred inflows of resources	<u>18,794,413</u>	<u>-</u>	<u>18,794,413</u>
NET POSITION			
Net position:			
Net investment in capital assets	57,501,239	15,566,723	73,067,962
Restricted	3,481,295	1,203,356	4,684,651
Unrestricted	<u>75,115,934</u>	<u>7,939,106</u>	<u>83,055,040</u>
Total net position	<u>136,098,468</u>	<u>24,709,185</u>	<u>160,807,653</u>
Total liabilities, deferred inflows, and net position	<u>\$ 189,586,314</u>	<u>\$ 148,097,482</u>	<u>\$ 337,683,796</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2025**

	Primary Government	Discretely Presented Component Unit	Total Reporting Entity (Memorandum Only)
Operating revenues:			
Tenant revenue	\$ 4,306,965	\$ 3,372,880	\$ 7,679,845
HUD operating grants	48,327,355	-	48,327,355
Other government grants	5,086,902	-	5,086,902
Other revenues	<u>4,576,237</u>	<u>2,916,868</u>	<u>7,493,105</u>
Total operating revenues	<u>62,297,459</u>	<u>6,289,748</u>	<u>68,587,207</u>
Operating expenses:			
Administrative	12,702,460	840,224	13,542,684
Tenant services	959,677	264,526	1,224,203
Utilities	798,965	150,733	949,698
Ordinary repairs and maintenance	3,638,768	569,822	4,208,590
Protective services	3,081	-	3,081
Insurance	791,807	314,734	1,106,541
General	510,674	677,386	1,188,060
Housing assistance payments	34,915,015	-	34,915,015
Depreciation	<u>1,822,737</u>	<u>2,445,382</u>	<u>4,268,119</u>
Total operating expenses	<u>56,143,184</u>	<u>5,262,807</u>	<u>61,405,991</u>
Operating income	<u>6,154,275</u>	<u>1,026,941</u>	<u>7,181,216</u>
Non-operating revenues (expenses):			
Investment income	864,922	-	864,922
Interest expense	(965,724)	(1,597,120)	(2,562,844)
Loss on sale of fixed assets	<u>(3,327)</u>	<u>-</u>	<u>(3,327)</u>
Net non-operating expenses	<u>(104,129)</u>	<u>(1,597,120)</u>	<u>(1,701,249)</u>
Income (loss) before special items	6,050,146	(570,179)	5,479,967
Special items	<u>-</u>	<u>2,848,412</u>	<u>2,848,412</u>
Change in net position	6,050,146	2,278,233	8,328,379
Net position, beginning of year	<u>130,048,322</u>	<u>22,430,952</u>	<u>152,479,274</u>
Net position, end of year	<u>\$ 136,098,468</u>	<u>\$ 24,709,185</u>	<u>\$ 160,807,653</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Primary Government</u>
<b>Cash Flows from Operating Activities:</b>	
Cash received from tenants and other	\$ 5,352,042
Cash received from grantors	53,391,420
Cash paid to suppliers and vendors	(40,733,556)
Cash paid to employees	<u>(12,708,681)</u>
Net cash provided by operating activities	<u>5,301,225</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Purchase of capital assets	(3,634,098)
Principal payments on lease	(15,291)
Proceeds from issuance of debt	(2,106,446)
Interest paid on long term debt	<u>(921,132)</u>
Net cash used in capital and related financing activities	<u>(6,676,967)</u>
<b>Cash Flows from Investing Activities:</b>	
Issuance of notes receivable	(7,588,861)
Proceeds from repayment of notes receivable	4,624,678
Interest received on investments	<u>862,659</u>
Net cash used in investing activities	<u>(2,101,524)</u>
Net decrease in cash, cash equivalents, and restricted cash	(3,477,266)
Cash, cash equivalents and restricted cash, beginning of year	<u>29,933,358</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 26,456,092</u>
<b>Reconciliation of cash, cash equivalents and restricted cash to the Statement of Net Position is as follows:</b>	
Cash and cash equivalents	\$ 23,101,019
Tenant security deposits	481,185
Restricted cash	<u>2,873,888</u>
Cash, cash equivalents and restricted cash	<u>\$ 26,456,092</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
STATEMENT OF CASH FLOWS (continued)  
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Primary Government</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 6,154,275
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,822,737
Construction in progress expensed during the year	(3,327)
Amortization on right of use asset	67,521
Bad debts	83,907
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable, net	(3,601,795)
Prepaid expenses	15,465
Lease receivable	27,649
Right-of-use assets	(255,494)
OPEB asset	(558,686)
Deferred outflows of resources	1,012,522
Accounts payable	396,426
Accrued compensated absences	211,460
Accrued expenses	(6,221)
Tenant security deposits	(18,811)
Unearned revenue	(18,633)
Other current liabilities	88,760
Accrued pension liability	(15,960)
Deferred inflows of resources	<u>(100,570)</u>
Net cash provided by operating activities	<u>\$ 5,301,225</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

The Housing Authority of the City of Alameda (the "Authority") is a governmental, public corporation created 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 Authority. The Board of Commissioners are selected to serve for either two-year or four-year terms. The Authority is responsible for operating certain safe, decent, sanitary, and affordable low-rent housing programs in the City under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

**B. Basis of Accounting / Financial Statements Presentation**

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The programs of the Authority are organized as separate accounting entities. Each program is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The programs of the Authority are combined and considered an enterprise fund. An enterprise fund is used to account for activities that are operated in a manner similar to those found in the private sector.

The Authority's enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended ("GASB 34"). GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplementary Information.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions* ("GASB 33"), grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

On January 30, 2008, HUD issued PIH Notice 2008-9 which requires that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net position, with the associated cash and investments also being reported as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the financial data schedule as unrestricted.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2025**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Basis of Accounting / Financial Statements Presentation (continued)**

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Section 8 Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

In accordance with 2 CFR 200.305(b)(9), any investment income earned up to \$500 on these funds may be retained by the Authority. Amounts in excess of \$500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

**C. Measurement Focus and Basis of Accounting**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds' principal ongoing operations. The principal operating revenues of the Authority's funds are rent and maintenance charges to residents, operating grants and subsidies from HUD, and administration fees earned.

Operating expenses for proprietary funds include the administrative costs of providing services to residents and the housing assistance payments to residents. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. Reporting Entity**

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statements No. 14 and No. 34*, the Authority's financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based upon the application of these criteria, this report includes the following discretely presented component unit:

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2025**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Reporting Entity (continued)**

Discretely Presented Component Unit

**Island City Development**

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 is on a calendar year end basis of December 31, 2024, and the financial activity is reported in a separate column to emphasize that they are legally separate from the primary government and are included under the "Discretely Presented Component Unit" column on the Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position.

Audited financial statements are issued separately for the discretely presented component unit noted above, and may be obtained from the Authority, 701 Atlantic Avenue, Alameda, CA 94501.

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 known as Stargell Commons. This property was completed in May 2017.

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 known as Littlejohn Commons. This property was completed in August 2018.

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 known as Everett Commons. This property was completed in December 2018.

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 known as Rosefield Village. The property started the construction and rehabilitation process in the summer of 2020 and construction was completed in the summer of 2022.

Island City Development is the sole Member of ICD Lakehurst, LLC, the 0.01% managing general partner of Lakehurst and Mosley LP, created for the purposes of developing and owning a 47 unit Low-Income Housing Tax Credit property at 500 Mosley Avenue in Alameda known as Estuary I. This property was completed in July 2025.

Island City Development is the sole Member of ICD Mabuhay, LLC, the 0.01% managing general partner of Mabuhay and Lakehurst LP, for the purposes of developing and owning a 64 unit Low-Income Housing Tax Credit property at 2000 Lakehurst Circle in Alameda known as Linnet Corner. This property was completed in 2025.

Island City Development created the following subsidiary legal entities in anticipation of development and acquisitions:

- ICD Webster LLC (dissolved in 2024)
- ICD Mosley LLC
- Mosley and Mabuhay LP

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2025**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Discretely Presented Component Unit (continued)

**Island City Development (continued)**

In 2024, Island City Development created a wholly owned subsidiary company ICD Shinsei, LLC. On March 30, 2024, ICD Shinsei, LLC acquired a 99.99% limited partnership interest for \$1 and was admitted as the substitute limited partner in Shinsei Gardens Apartment, L.P., a 39-unit affordable housing complex located in Alameda, California known as Shinsei Gardens Apartments.

Notes receivable between the Authority and Island City Development (discretely presented component unit) are presented in Note 6.

Blended Component Units

**Alameda Affordable Housing Corporation ("AAHC")**

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'.

In July 2021, a Local Housing Trust Fund was established by AAHC known as the Alameda Affordable Housing Trust Fund. A service agreement for the years 2021 through 2025 was executed between AAHC and the Authority with an effective date of July 21, 2021. An amendment to the services agreement was entered effective September 9, 2024 to extend the agreed upon services to 2027. For more information on the trust and funding awards, please visit: <https://www.alamedahsg.org/about-us/alameda-affordable-housing-corporation/>

The Alameda Affordable Housing Trust Fund has received matching fund grants from the State of California, and have deployed the funds to Island City Development (for the benefit of the future Estuary II project) in the amount of \$3,750,000, Lakehurst and Mosley, LP (Estuary I) in the amount of \$5,000,000, and Mabuhay and Lakehurst, LP (Linnet Corner) in the amount of \$3,438,000. These funds are notes payable to AAHC and are further discussed in the Note 10. Additionally, Independence Plaza Apartments, owned by the Authority, has received a funding commitment of \$1,000,000 and have been informed they can submit a full application once Alameda Affordable Housing Trust Fund receives the State aware of Local Housing Trust Funds.

Notes receivable and any accrued interest receivable and payable, between the Authority and AAHC are eliminated from financial statement presentation upon consolidation.

Although they are eliminated from financial statement payment presentation, presented below are the June 30, 2025 principal balances due to the Authority from AAHC:

1. Note receivable from AAHC Anne B. Diament Plaza to the Authority - \$6,426,932
2. Note receivable from AAHC China Clipper Plaza to the Authority - \$2,707,765
3. Note receivable from AAHC Lincoln Willow Apartments to the Authority - \$662,466
4. Note receivable from AAHC Stanford House to the Authority - \$757,545
5. Note receivable from AAHC Parrot Village to the Authority - \$3,258,587
6. Note receivable from AAHC Eagle Village to the Authority - \$10,221,046
7. Note receivable from AAHC Esperanza to the Authority - \$16,703,710
8. Note receivable from AAHC Scattered Site (Pulte) - \$3,750,000

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2025**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Description of Programs**

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Moving to Work Demonstration Program

The purpose of this Moving to Work Demonstration Program ("MTW") is to give the Authority and HUD the flexibility to design and test various approaches for providing and administering housing assistance that: reduce cost and achieve greater cost effectiveness; give incentives to families to obtain employment and become economically self-sufficient; and increase housing choices for low-income families to obtain employment and become economically self-sufficient, and increase housing choices for low-income families.

State and Local Programs

Periodically, the Authority administers various grants from the State of California and/or the County and City of Alameda. These activities as well as the Authority's internal service funds are reported in this fund. Additionally, Regulatory Agreement and Declaration of Restrictive Covenants ("Regulatory Agreements") are filed and recorded with the County of Alameda for all properties owned on behalf of the Authority and its affiliates. These Agreements restrict units to be rented to and occupied by low-income households for an affordable rent.

Some of these Regulatory Agreements offers the Authority the First Right of Refusal to acquire the property at the end of the 15 year low-income housing tax credit compliance period.

The Authority has executed Regulatory Agreements with 3rd parties with loans secured by multifamily apartment assets. These 3rd parties and loans are reflected in the Notes Receivable section in Note 6.

On December 15, 2022, the Authority and Vue Alameda Owner LP (owner of Rica Vista Apartments) entered in a Regulatory Agreement. In connection with the restrictions of the Regulatory Agreement, Vue Alameda Owner LP also must pay a monitoring fee of \$300 per Authority assisted unit per year (subject to adjustment per the consumer price index), a Housing Quality Standards fee of \$35 for each Authority assisted unit per year, and an annual asset management fee in the amount of \$10,000.

Additionally, Regulatory Agreements are entered into with 3rd parties with no loans secured by multifamily apartment assets. On June 12, 2024, the Authority and OAHS Playa Del Alameda LP (owner of Playa Del Alameda Apartments) entered into a Regulatory Agreement. In connection with the restrictions of the Regulatory Agreement, OAHS Playa Del Alameda LP must pay an annual monitoring fee of \$150 per unit per year.

PIH Family Self Sufficiency Program

The purpose of the Family Self-Sufficiency Program is to promote the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher and Public Housing programs with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Emergency Housing Vouchers

The purpose of Emergency Housing Vouchers is to assist individuals and families who are experiencing homelessness; at risk of experiencing homelessness; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or were recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability. As the program is temporary, funding for these vouchers is expected to run out in 2026.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2025**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Description of Programs (continued)**

Section 8 Moderate Rehabilitation Single Room Occupancy

The Section 8 Moderate Rehabilitation Single Room Occupancy Program provides rental assistance to homeless individuals. Under the program, HUD enters into Annual Contributions Contracts with Public Housing Agencies (PHAs) in connection with the moderate rehabilitation of residential properties that, when rehabilitation is completed, will contain multiple single room dwelling units.

Shelter Plus Care

Through the County of Alameda, the Shelter Plus Care Program provides rental assistance, in connection with supportive services funded from sources other than this program, to homeless persons with disabilities (primarily persons who are seriously mentally ill; have chronic problems with alcohol, drugs, or both; or have acquired immunodeficiency syndrome and related diseases) and their families. The program provides assistance through four components: (1) Tenant-based Rental Assistance; (2) Sponsor-based Rental Assistance; (3) Project-based Rental Assistance; (4) and Single Room Occupancy for Homeless Individuals.

Veterans Affairs Supportive Housing

Veterans Affairs Supportive Housing (VASH) is a housing program that helps homeless veterans and veterans at high risk of homelessness get stable housing and support services. HUD provides the housing vouchers, and the U.S. Department of Veterans Affairs provides case management and supportive services.

Restore-Rebuild (formerly known as Faircloth-to-RAD)

In November 2024, the Authority was transferred the 186 unit senior project Independence Plaza from AAHC, and utilized the Restore-Rebuild program to protect affordability by converting 120 units with project based vouchers. As part of this legal transaction, the loan serviced by Northmarq was fully paid off, and the notes receivable from AAHC was cancelled by the Authority in the amount of \$32,086,304.

**F. Use of Management Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses and other liabilities, depreciable lives of properties and equipment, amortization of leasehold improvements and contingencies. Actual results could differ significantly from these estimates.

**G. Cash and Cash Equivalents**

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2025**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**G. Cash and Cash Equivalents (continued)**

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

For the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase. It is the Authority's policy to maintain collateralization in accordance with HUD requirements.

**H. Accounts Receivable, Net**

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated units. An allowance for doubtful accounts is established to provide for accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation. These charges usually consist of retroactive rent and other amounts that may be determined by a formal written agreement or by a court order.

The Authority recognizes a receivable from HUD and other governmental agencies for amounts billed but not received and for amounts unbilled, but earned as of year-end.

**I. Allowance for Doubtful Accounts**

The Authority periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectable. If it is determined that an account or accounts may be uncollectable, the Authority prepares an analysis of such accounts and records an appropriate allowance against such amounts.

**J. Prepaid Expenses**

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

**K. Notes Receivable**

The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and redevelopment of numerous affordable housing developments through the issuance of mortgage notes. When preparing financial statements in accordance with GAAP, management is required to make estimates as to the collectability of such mortgage notes. When estimating collectability, management analyzes the value of the underlying mortgaged property, the property's ability to generate positive cash flow, and current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectable amounts during an accounting period.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**L. Lease Receivable**

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the lease agreement or implicitly determined by the Authority.

**M. Right-of-Use Assets and Lease Liabilities**

Lessees are required to recognize a lease liability and an intangible right-of-use lease asset at the inception of the lease term. The lease liability is the present value of future payments expected to be made over the course of the lease, and the right-of-use assets are measured as the initial amount of lease liability, plus any payments made to the lessor at or before the time of commencement of the lease and minus any lease incentives received from the lessor.

The Authority uses its risk-free rate at the commencement date in determining the present value of lease payments. The lease agreements do not contain any material residual value guarantees or material restrictive covenants. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

**N. Capital Assets, Net**

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation are eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- |                           |              |
|---------------------------|--------------|
| • Buildings               | 40 Years     |
| • Site improvements       | 15 Years     |
| • Furniture and equipment | 5 - 10 Years |

The Authority has established a capitalization threshold of \$5,000.

**O. Impairment of Long Lived Assets**

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. During the year ended June 30, 2025, there were no impairment losses incurred.

**P. Inter-Program Receivables and Payables**

Inter-program receivables and payables are all classified as either current assets or current liabilities, and are the result of the use of a concentrated account depository as the common paymaster for most of the programs of the Authority. Cash settlements are made monthly. All inter-program balances are reconciled, and inter-program receivables and payables balances net to zero. In accordance with GASB 34, inter-program receivables and payables are eliminated for financial statement purposes. Detail balances by program are found in the Financial Data Schedule of this report.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2025**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Q. Deferred Outflows / Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until that time.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

**R. Accounts Payable and Accrued Liabilities**

The Authority recognizes a liability for goods and services received but not paid for as of year-end. It also recognizes a liability for wages and fringe benefits related to services performed at year-end but not yet paid to employees or taxing authorities.

**S. Unearned Revenue**

The Authority's unearned revenue primarily consists of the prepayment of rent by residents, the current portion of prepaid ground leases and the receipt of HUD and other grant funding applicable to future periods prior to incurring the corresponding expense.

**T. Accrued Compensated Absences**

Compensated absences are those absences for which employees will be paid in accordance with the Authority's Personnel Policy. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such event takes place.

**U. Net Position Classifications**

Net position is classified in three components:

Net investment in capital assets - Consists of resources including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2025**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**V. Use of Restricted Assets**

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

**W. Operating Revenues and Expenses**

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded in accordance with GASB 33 and are accounted for as revenue. Other contributions from HUD that are for development and modernization of capital assets are reflected separately in the accompanying financial statements as capital grants. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

**X. Taxes**

The Authority and its legal affiliates are generally exempt from Federal Income and California Income Taxes. Certain legal affiliates, such as limited liability companies and limited partnerships, may have to pay California franchise taxes. The Authority and AAHC are generally exempted from secured property taxes with the County of Alameda. Legal affiliates such as Low-Income Housing Tax Credit limited partnerships with an approved welfare tax exemption are also exempt from property taxation with the County of Alameda.

**Y. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California Public Employees' Retirement System ("CalPERS") and additions to/deductions from CalPERS's 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.

**Z. Other Post Employment Benefits ("OPEB")**

The Authority provides a defined benefit health care program to its retired employees. Contributions for this plan are made on a pay-as-you-go basis. The Authority used actuarial reports supplied by OPEB consultants for the purpose of measuring the net OPEB liability, deferred outflows of resources, deferred inflows of resources, and expenses related to the plan.

**AA. Budgets and Budgetary Accounting**

The Authority adopts annual, appropriated operating budgets for all its programs receiving federal expenditure awards and are used as a management tool throughout the accounting cycle. All budgets are prepared on a HUD basis, which differs with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BB. Economic Dependency**

The Section 8 Housing Choice Vouchers program of the Authority is economically dependent on subsidies from HUD. Although the Authority receives these subsidies, as administrative fee income, the Housing Choice Vouchers program operates at a deficit. The Board of Commissioners has authorized the budget to advance funds from local programs to support the Housing Choice Vouchers program.

**CC. Risk Management**

The Authority is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

**NOTE 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH**

As of June 30, 2025, the Authority had funds on deposit in checking, savings and money market accounts. The carrying amount of the primary government's cash and cash equivalents (including restricted cash) was \$26,456,092, and the bank balances were \$22,276,301. This difference is due to the timing of a \$4,000,000 investment in the California Asset Management Fund ("CAMP") on June 30, 2025, received by the CAMP servicer on July 1, 2025.

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Unrestricted	\$ 23,101,019	\$ 3,660,769	\$ 26,761,788
Tenant security deposits	481,185	123,160	604,345
Restricted	<u>2,873,888</u>	<u>1,203,356</u>	<u>4,077,244</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 26,456,092</u>	<u>\$ 4,987,285</u>	<u>\$ 31,443,377</u>

Of the primary government's bank balances, \$1,445,270 was covered by federal depository insurance and the remaining \$20,831,031 was collateralized with the pledging financial institution as of June 30, 2025. Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2025, the Authority's bank balances were not exposed to custodial credit risk.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 3. ACCOUNTS RECEIVABLE, NET**

Accounts receivable, net consists of the following as of June 30, 2025:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Accounts receivable - HUD	\$ 282,111	\$ -	\$ 282,111
Accounts receivable - PHA Projects	345,060	-	345,060
Accounts receivable - other government	1,646	-	1,646
Accounts receivable - tenants, net	111,574	45,203	156,777
Accounts receivable - miscellaneous	<u>3,796,701</u>	<u>46,737</u>	<u>3,843,438</u>
Total accounts receivable, net	<u>\$ 4,537,092</u>	<u>\$ 91,940</u>	<u>\$ 4,629,032</u>

Accounts Receivable - HUD

As of June 30, 2025, Accounts receivable - HUD consisted of amounts due to the Authority for amounts expended under grant agreements that have not yet been reimbursed. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - PHA Projects

Accounts receivable - PHA Projects represents amounts owed to the Authority by other Public Housing Authorities for administrative fees and Port-in HAP expense under the portability provisions of the MTW program. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Other Government

Accounts receivable - other government represents amounts owed to the Authority by other federal agencies and state and local governments. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent. The balance of the primary government is shown net of an allowance for doubtful accounts of \$451,333.

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists of amounts owed from managed properties and other miscellaneous sources from normal ongoing operations. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2025**

**NOTE 4. CAPITAL ASSETS, NET**

The following is a summary of the primary government's changes in capital assets for the year ended June 30, 2025:

Description	June 30, 2024	Additions	Dispositions	Transfers	June 30, 2025
<u>Non-depreciable capital assets:</u>					
Land	\$ 60,726,239	\$ -	\$ -	\$ -	\$ 60,726,239
Construction in progress	<u>2,501,992</u>	<u>1,697,640</u>	<u>-</u>	<u>-</u>	<u>4,199,632</u>
Total	<u>63,228,231</u>	<u>1,697,640</u>	<u>-</u>	<u>-</u>	<u>64,925,871</u>
<u>Depreciable capital assets:</u>					
Buildings	54,436,551	1,936,459	-	-	56,373,010
Furniture and equipment	<u>431,740</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>431,739</u>
Total	<u>54,868,291</u>	<u>1,936,459</u>	<u>(1)</u>	<u>-</u>	<u>56,804,749</u>
Less: accumulated depreciation	<u>36,040,487</u>	<u>1,822,737</u>	<u>-</u>	<u>-</u>	<u>37,863,224</u>
Net capital assets	<u>\$ 82,056,035</u>	<u>\$ 1,811,362</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 83,867,396</u>

Depreciation expense for the primary government for the fiscal year ended June 30, 2025, amounted to \$1,822,737.

The following is a summary of the discretely presented component unit's capital assets activity for the year ended June 30, 2025:

Description	June 30, 2024	Additions	Dispositions	Transfers	June 30, 2025
<u>Non-depreciable capital assets:</u>					
Land	\$ 5,370,720	\$ -	\$ -	\$ -	\$ 5,370,720
Construction in progress	<u>9,522,479</u>	<u>48,362,761</u>	<u>-</u>	<u>-</u>	<u>57,885,240</u>
Total	<u>14,893,199</u>	<u>48,362,761</u>	<u>-</u>	<u>-</u>	<u>63,255,960</u>
<u>Depreciable capital assets:</u>					
Buildings	66,280,340	-	-	-	66,280,340
Furniture and equipment	<u>2,632,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,632,875</u>
Total	<u>68,913,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,913,215</u>
Less: accumulated depreciation	<u>7,178,614</u>	<u>2,445,382</u>	<u>(8,797)</u>	<u>-</u>	<u>9,615,199</u>
Net capital assets	<u>\$ 76,627,800</u>	<u>\$ 45,917,379</u>	<u>\$ 8,797</u>	<u>\$ -</u>	<u>\$ 122,553,976</u>

Depreciation expense for the discretely presented component unit for the fiscal year ended June 30, 2025, amounted to \$2,445,382.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 5. RESTRICTED DEPOSITS**

Restricted deposits consist of the following as of June 30, 2025:

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Housing assistance payment reserves	\$ 394,747	\$ -	\$ 394,747
Emergency housing voucher reserves	59,472	-	59,472
Replacement reserves	2,224,399	-	2,224,399
Project reserves	195,270	1,203,356	1,398,626
Tenant security deposits	<u>481,185</u>	<u>123,160</u>	<u>604,345</u>
Total restricted deposits	<u>\$ 3,355,073</u>	<u>\$ 1,326,516</u>	<u>\$ 4,681,589</u>

Housing assistance payment reserves are restricted for use only in the MTW program.

Emergency housing voucher reserves are restricted to be used on future housing assistance payments related to the program.

Replacement reserves are required to be set aside for future project expenditures in accordance with regulatory agreements.

Project reserves are reserves that are required to be set aside for future project expenditures according to the respective regulatory agreement.

Tenant security deposits represent amounts held by the Authority on behalf of tenants. Upon termination, the tenant is due amounts deposited plus interest earned less any amounts charged for damage to the unit.

**NOTE 6. NOTES RECEIVABLE**

Outstanding notes receivable for the primary government as of June 30, 2025 consisted of the following:

<u>Description</u>	<u>Amount</u>
Effective January 5, 2004, Resources for Community Development 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 and is secured by the underlying property. Payments shall be deferred until maturity, January 5, 2059.	\$ 1,408,790

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 6. NOTES RECEIVABLE (continued)**

<u>Description</u>	<u>Amount</u>
<p>Effective March 9, 2007, Taplin and Taplin entered into a promissory note with the Authority for \$23,600 for the property in the City of Alameda. On April 30, 2019, Taplin and Taplin 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.</p>	23,600
<p>Effective December 18, 2007, Nebeker entered into a promissory note with the Authority for \$31,800 for the property in the City of Alameda. On March 13, 2019, Nebeker 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.</p>	31,800
<p>Effective January 23, 2008, Moore entered into a promissory note with the Authority for \$31,800 for the property in the City of Alameda. 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 original note stipulates a balloon payment due at the earlier occurrence of January 23, 2023 or upon default, refinancing, sale or transfer of the property. On May 15, 2024, Moore executed the First Amendment to Promissory Note, which removed the balloon payment set for January 23, 2023 except for the provisions indicated in that Promissory Note, including material default, appointment of a receiver or trustee to take possession of the property, and any attachment of any involuntary liens. The amendment also contained a provision to change the potential amount of interest owed to the interest rate of 5% simple interest or shared appreciation and further defined in the First Amendment to Promissory Note.</p>	31,800
<p>Effective March 24, 2008, Resources for Community Development ("RCD") entered into a promissory note with the Community Improvement Commission of Alameda for an amount not to exceed \$4,000,000, located at 401 Willie Stargell Avenue. The loan was assigned to RCD's affiliate Shinsei Gardens Apartments, LP on March 24, 2008, and modified on March 24, 2008, and modified again on May 14, 2010. As redevelopment agencies in the State of California was ruled unconstitutional, any assets originally sourced from Community Improvement Commission funding was ultimately transferred to the Authority as Successor Agency in 2012. A portion of funds of this loan are retained by the City of Alameda, and a portion is retained by the Authority which is the principal balance presented. This loan accrues no interest and is secured by the underlying property. Payments shall be deferred until March 23, 2063. Shinsei Gardens Apartments LP, is an affiliate of Island City Development.</p>	1,215,869

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 6. NOTES RECEIVABLE (continued)**

<u>Description</u>	<u>Amount</u>
Effective September 27, 2011, Alameda Islander, LP entered into a promissory note with the Authority for \$8,600,000 for the Park Alameda property located at 2428 Central Avenue. This loan accrues no interest and is secured by the underlying property. Payments shall be deferred until September 27, 2068.	8,600,000
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, and the note is secured by the underlying property. Payments shall be deferred until January 17, 2068.	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, and the note is secured by the underlying property. Principal and interest shall be due and payable on January 13, 2070.	201,067
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 and is secured by underlying property. 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. Stargell Commons, LP, is an affiliate of Island City Development (discretely presented component unit).	2,000,000
Effective December 1, 2016, Sherman and Buena Vista, LP (Littlejohn Commons), an entity that is related to the Authority via the discretely presented component unit, 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 and is secured by the underlying property. 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.	3,520,516
Effective December 1, 2016, Sherman and Buena Vista, LP (Littlejohn Commons), an entity that is related to the Authority via the discretely presented component unit, 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 and is secured by the underlying property. 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.	3,410,000

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 6. NOTES RECEIVABLE (continued)**

<u>Description</u>	<u>Amount</u>
Effective June 21, 2017, Everett and Eagle, LP (Everett Commons), an entity that is related to the Authority via the discretely presented component unit, 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 and is secured by the underlying property. 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.	4,250,000
Effective August 1, 2020, Constitution and Eagle, LP (Rosefield Village), an entity that is related to the Authority via the discretely presented component unit, entered into a loan agreement with the Authority for the amount of \$16,576,088 for the Rosefield Village Apartments. The loan bears interest at 1.12% 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, 2077. The loan is secured by real property.	16,576,088
Effective August 1, 2020, Constitution and Eagle, LP (Rosefield Village), an entity that is related to the Authority via the discretely presented component unit, entered into a loan agreement with the Authority for an amount not to exceed \$8,143,052, for the acquisition, construction, and rehabilitation of the Rosefield Village Apartments. The loan bears no interest. The principal and interest shall be due and payable on the earliest of (a) the expiration of the term, (b) the date the development is sold, or (c) an event of default. Beginning May 1, 2023, payments shall be made equal to the Authority's share of residual receipts. The loan matures on December 31, 2077 and is secured by the deed of trust.	8,018,052
Effective December 15, 2022, Vue Alameda Owner LP (Rica Vista Apartments) entered into a note with the Authority in the amount of \$10,000 related to the Rica Vista Apartments. The note bears interest at 3% and matures on December 1, 2077. The note is secured by a deed of trust.	10,000
Effective November 14, 2022, Island City Development, discretely presented component unit, entered into a note with the Authority, via the Alameda Affordable Housing Trust Fund, in the final amount of \$3,750,000. The note bears simple interest at 3% per annum, beginning January 1, 2025. The note matures on January 1, 2080 and is unsecured.	3,750,000
On January 1, 2024, the Authority entered into a loan agreement with Lakehurst and Mosley, LP (Estuary I), an entity that is related to the Authority via the discretely presented component unit, in an amount not to exceed \$5,000,000. The loan bears interest at 3% per annum and matures on June 30, 2081. Payments of principal and interest commence on May 1, 2025 and shall be equal the Authority's proportionate share of residual receipts. The loan is secured by a deed of trust.	5,000,000

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 6. NOTES RECEIVABLE (continued)**

<u>Description</u>	<u>Amount</u>
<p>On January 1, 2024, the Authority entered into a loan agreement with Mabuhay and Lakehurst LP (Linnet Corner), an entity that is related to the Authority via the discretely presented component unit in an amount not to exceed \$3,438,000. The loan bears no interest and matures on June 30, 2081. Payments of principal commence on May 1, 2025 and shall be equal the Authority's proportionate share of residual receipts. The loan is secured by a deed of trust.</p>	3,438,000
<p>On March 1, 2024, the Authority entered into a note with Mabuhay and Lakehurst LP (Linnet Corner), an entity that is related to the Authority via the discretely presented component unit, in the amount of \$945,000 (sourced from the Federal Home Loan Bank Affordable Housing Program). The note shall not bear interest and payment of principal will be due and payable at maturity on June 30, 2081. The note is secured by a deed of trust.</p>	945,000
<p>On January 1, 2024, the Authority entered into a note with Lakehurst and Mosley LP (Estuary I), an entity that is related to the Authority via the discretely presented component unit, in the amount of \$660,000 (sourced from the Federal Home Loan Bank Affordable Housing Program). The note shall not bear interest and payment of principal will be due and payable at maturity on June 30, 2081. The note is secured by a deed of trust.</p>	660,000
<p>On January 1, 2024, the Authority entered into a note with Lakehurst and Mosley LP (Estuary I), an entity that is related to the Authority via the discretely presented component unit, in the amount of \$2,061,601. The note bears interest at 5.03% per annum. Payments of principal and interest commence on May 1, 2025 and shall be equal the Authority's proportionate share of residual receipts. The loan matures on June 30, 2081 and is secured by a deed of trust.</p>	2,061,601
<p>The Authority entered into repayment agreements with individuals as part of the Authority's security deposit loan program. These loans are non-interest bearing, unsecured, and have various maturity dates.</p>	5,304
<p>On January 1, 2024, the Authority entered into a note with Lakehurst and Mosley LP (Estuary I) in the amount of \$3,000,000. The note bears simple interest at 3% per annum. Payments of principal and interest commence on May 1, 2025 and shall be equal the Authority's proportionate share of residual receipts. The loan matures on June 30, 2081 and is secured by a deed of trust.</p>	3,000,000
<p>On May 15, 2024, the Authority entered into a note with Island City Development in the amount of \$1,500,000 for predevelopment work of the North Housing parcel. The note bears no interest and is unsecured. The note matures on January 31, 2039, at which time the total principal amount is due in full.</p>	<u>1,500,000</u>
<p>Total notes receivable</p>	\$ <u><u>71,057,487</u></u>

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 6. NOTES RECEIVABLE (continued)**

Notes receivable amounts due within the next five fiscal years and thereafter are as follows:

June 30, 2026	\$	0
2027		157,456
2028		-
2029		0
2030		0
Thereafter		<u>70,900.031</u>
		<u>\$ 71,057.487</u>

There is no interest accrued on any of the notes receivable due to uncertainty of collection based on the varying terms of the individual notes, which includes no provision for interest, deferral of payments, and future valuation determinations of the properties. Interest income will be recorded by the Authority as received.

**NOTE 7. LEASE RECEIVABLE**

On October 1, 1992, the Authority entered into a lease agreement to lease real property (the “property lease”) as a lessor with Alameda Family Services. The property lease has subsequently been amended on several occasions, with the most recent occurring on March 5, 2021. The term of the most recent amended property lease was for ten years, commencing on October 1, 2020 and terminating on September 31, 2031. The Authority recorded an initial lease receivable in the amount of \$345,027. As of June 30, 2025, the value of the lease receivable was \$267,766. At commencement of the commercial lease, base rent in the amount of \$2,288 was due on the first of each month, with a 3% increase annually. The implicit interest rate on the property lease was 5%. The value of the deferred inflows of resources as of June 30, 2025 was \$162,930. For the year ended June 30, 2025, the Authority recognized lease revenue in the amount of \$21,871 and interest income in the amount of \$10,099.

On May 1, 2005, the Authority entered into a lease agreement to lease office space (the “office space lease”) as a lessor with the Home Town Donut Shop. The office space was for a period of ten years with an option to extend the term for an additional ten years, which commenced on May 1, 2005 and terminates on April 30, 2025. The Authority recorded an initial lease receivable in the amount of \$18,562. As of June 30, 2025, the value of the lease receivable was \$0. At commencement of the office space lease, base rent in the amount of \$273 was due on the first of each month. The base rent increased to \$393 in June of 2022. The implicit interest rate on the office space lease was 5%. The value of the deferred inflows of resources as of June 30, 2025 was \$0. For the year ended June 30, 2025, the Authority recognized lease revenue in the amount of \$4,114 and interest income in the amount of \$96. This lease has been terminated by the lessor in 2026.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 8. RIGHT-OF-USE ASSETS AND LEASE LIABILITY**

On April 1, 2021, the Authority entered into a lease agreement (the “South Shore Center Lease”) as a lessee to rent office space. The term of the South Shore Center Lease was for twenty-four (24) months, commencing on April 1, 2021, with two extension options for twelve months each. At commencement of the South Shore Center Lease, base rent in the amount of \$5,813 was due on the first of each month, and the South Shore Center Lease had an implicit interest rate of 5%. During the year ended June 30, 2024, the Authority exercised an option to extend the South Shore Center Lease an additional two years, which resulted in an additional right of use asset in the amount of \$128,508. As of June 30, 2025, the value of the right-of-use asset was \$123,792, net of accumulated amortization in the amount of \$273,609. Amortization expense for the year ended June 30, 2025 totaled \$67,521. Rent and interest expense for the year ended June 30, 2025 amounted to \$72,467 and \$9,109, respectively.

The following is a summary of the Authority's changes in right-of-use asset for the year ended June 30, 2025:

Description	June 30, 2024	Additions	Dispositions	June 30, 2025
Right-of-use asset	\$ 397,401	\$ -	\$ -	\$ 397,401
Less: accumulated amortization	<u>206,088</u>	<u>67,521</u>	<u>-</u>	<u>273,609</u>
Net right-of-use asset	<u>\$ 191,313</u>	<u>\$ (67,521)</u>	<u>\$ -</u>	<u>\$ 123,792</u>

The lease liability as of June 30, 2025 was \$142,622.

As of June 30, 2025, the Authority had future minimum payments under this lease as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2026	\$ 79,881	\$ 5,402	\$ 85,283
2027	<u>62,741</u>	<u>1,532</u>	<u>64,273</u>
Total	<u>\$ 142,622</u>	<u>\$ 6,934</u>	<u>\$ 149,556</u>

**NOTE 9 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, although certain management employees may have a maximum 350 hours at any time. Adjustments to the vacation accruals caps are periodically updated in the Authority's Employee Handbook and can be referenced in that document.

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. Unused sick leave can be turned into extra service credit when a separating employee retire under CalPERS.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 9 COMPENSATED ABSENCES (continued)**

As of June 30, 2025, accrued compensated absences of the Primary Government amounted to \$567,584, and consisted of the following activity for the year then ended:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Beginning compensated absences	\$ 356,124	\$ -	\$ 356,124
Compensated absences earned	211,460	-	211,460
Compensated absences redeemed	<u>-</u>	<u>-</u>	<u>-</u>
Ending compensated absences	567,584	-	567,584
Less: current portion	<u>414,596</u>	<u>-</u>	<u>414,596</u>
Compensated absences, net of current portion	<u>\$ 152,988</u>	<u>\$ -</u>	<u>\$ 152,988</u>

**NOTE 10. BONDS AND NOTES PAYABLE**

Bonds and notes payable for the primary government consisted of the following as of June 30, 2025:

<u>Description</u>	<u>Amount</u>
A promissory note agreement for \$235,900 was entered into with the City on July 15, 1996, for three condominiums, owned by the Authority, 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, which is based on estimated cash flow of the properties. For the year ended June 30, 2025, annual payments of principal totaled \$6,863. The note is secured by real property and matures on December 31, 2055.	\$ 207,054
A promissory note agreement for \$282,700 was entered into with the City on July 26, 1996, for four condominiums, owned by the Authority, 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, which is based on estimated cash flow of the properties. The note is secured by real property and matures on December 31, 2055.	282,700
A promissory note agreement for \$570,000 was entered into with the City on June 18, 1998, for the China Clipper property, owned by AAHC, 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 loan is secured by real property.	570,000

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 10. BONDS AND NOTES PAYABLE (continued)**

<u>Description</u>	<u>Amount</u>
A promissory note agreement for \$380,000 was entered into with the County of Alameda on September 1, 2009, for the Lincoln House property, owned by the Authority, 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 based on Residual Receipts as defined in the note. The note is secured by real property.	380,000
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, owned by the Authority. 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 based on Residual Receipts as defined in the note. The loan is secured by real property.	536,400
A promissory note agreement for \$96,000 was entered into with the City on November 21, 2013, for the Anne B. Diamant property, owned by AAHC, at 920 Park Street. The note bears no interest. The principal is deferred until November 22, 2028, at which time the loan will be due in the full amount. The loan is secured by real property.	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, owned by the Authority, 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. This loan was transferred from the Authority to Alameda Affordable Housing Corporation with no change in terms on July 1, 2021.	11,537,777
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 was scheduled to originally mature on July 1, 2026, but was paid in full as of June 30, 2025.	-
The Authority entered into a note with the Bank of Marin through the Federal Home Loan Bank Affordable Housing Program, on Mach 1, 2024 in the amount of \$945,000 for the benefit of Linnet Corner (Mabuhay and Lakehurst, LP). The note bears no interest and is secured by a deed of trust. The loan shall not amortize and payment of principal shall be due on the maturity date of June 30, 2081.	945,000

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 10. BONDS AND NOTES PAYABLE (continued)**

<u>Description</u>	<u>Amount</u>
The Authority entered into a loan with Community Housing Fund, LLC (the "Lender") on December 14, 2023 with a maximum principal amount of \$3,337,000. A portion of the loan proceeds in the amount of \$266,960 (the "interest holdback") shall be held back by the Lender to pay for interest due on the loan. On the first day of each month, the Lender will withdraw from the interest holdback the amount of interest due on the loan for the preceding month. After the interest holdback is depleted, the Authority shall utilize its own funds to make principal and interest payments under the note. The loan matures on January 1, 2028 and is secured by a deed of trust on The Poplar property located at 2615 Eagle Avenue.	2,645,456
On July 15, 2021, the Authority transferred a loan totaling \$9,300,000 with the AAHC concurrent with a refinance event. The loan is serviced by PNC Bank, National Association, and is secured by the properties referred to as Eagle Village and Parrot Village and owned by AAHC. The loan bears interest at 2.59% per annum and requires combined monthly principal and interest payments totaling \$37,183. The loan matures on August 1, 2026.	8,486,941
The Authority entered into an note with the Bank of Marin through the Federal Home Loan Bank Affordable Housing Program on January 1, 2024 in the amount of \$660,000 for the benefit of Estuary I owned by Lakehurst and Mosley, LP. The note bears no interest and is secured by a deed of trust. The loan shall not amortize and payment of principal shall be due on the maturity date of June 30, 2081.	<u>660,000</u>
Total bonds and notes payable	26,347,328
Less: current portion	<u>568,808</u>
Bonds and notes payable, excluding current portion	<u>\$ 25,778,520</u>

Annual debt service for principal and interest over the next five years and in five-year increments thereafter is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 573,062	\$ 860,879	\$ 1,433,941
2027	8,723,996	656,873	9,380,869
2028	3,033,748	599,454	3,633,202
2029	410,726	577,020	987,746
2030	434,456	553,290	987,746
2031-2035	2,579,085	2,359,646	4,938,731
2036-2040	3,415,338	1,523,393	4,938,731
2041-2045	3,595,763	437,532	4,033,295
2046-2050	-	-	-
2051-2055	-	-	-
2056-2060	1,059,754	-	1,059,754
2061-2065	-	-	-
2066-2070	916,400	-	916,400
2081	<u>1,605,000</u>	<u>-</u>	<u>1,605,000</u>
	<u>\$ 26,347,328</u>	<u>\$ 7,568,087</u>	<u>\$ 33,915,415</u>

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 10. BONDS AND NOTES PAYABLE (continued)**

Debt activity for the primary government for the year ended June 30, 2025 consisted of the following:

Description	June 30, 2024	Advances	Principal Reductions	June 30, 2025
Bonds and notes payable	\$ <u>28,453,774</u>	\$ <u>-</u>	\$ <u>(2,106,446)</u>	\$ <u>26,347,328</u>

Accrued interest payable as of June 30, 2025 and interest expense for the year then ended for the primary government totaled \$1,240,777 and \$965,724, respectively.

A summary of the Authority's discretely presented component unit bonds and notes payable are as follows:

<u>Notes payable to the Authority as evidenced by a Note Receivable (see Note 6):</u>	<u>Amount</u>
Island City Development has a \$7,500,000 payable to Alameda Affordable Housing Trust Fund	\$ 5,250,000
Sherman and Buena Vista LP (Littlejohn Commons) has a \$3,520,516 payable to the Authority	3,520,516
Sherman and Buena Vista LP (Littlejohn Commons) has a \$3,410,000 payable to the Authority	3,410,000
Everett and Eagle LP (Everett Commons) has a \$4,250,000 payable to the Authority	4,250,000
Constitution and Eagle LP (Rosefield Village) has a \$8,018,052 payable to the Authority	8,018,052
Constitution and Eagle LP (Rosefield Village) has a \$16,576,088 payable to the Authority	16,576,088
Lakehurst and Mosley LP (Estuary I) has a \$660,000 payable to the Authority	660,000
Lakehurst and Mosley LP (Estuary I) has a \$3,000,000 payable to the Authority	3,000,000
Lakehurst and Mosley LP (Estuary I) has a \$2,061,601 payable to the Authority	2,061,601
Mabuhay and Lakehurst (Linnet Corner) has a \$945,000 payable to the Authority	<u>945,000</u>
Total primary government loans to discretely presented component unit	\$ <u>47,691,257</u>

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 10. BONDS AND NOTES PAYABLE (continued)**

Bonds and Notes Payable by Island City Development, Discrete Component Unit and its legal entities through 12/31/2024:

<u>Description</u>	<u>Amount</u>
<u>Sherman and Buena Vista LP (Littlejohn Commons)</u>	
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.	\$ 1,719,707
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.	174,589
<u>Everett and Eagle LP (Everett Commons)</u>	
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.	3,154,609
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.	153,282
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.	1,000,000

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 10. BONDS AND NOTES PAYABLE (continued)**

<u>Description</u>	<u>Amount</u>
<u>Constitution and Eagle LP (Rosefield Village)</u>	
Note payable in the amount of \$8,093,414 dated August 1, 2020 and payable to the County of Alameda (County A1 Loan) and secured by a deed of trust. The loan bears simple interest at a rate of 3.00%. Principal and interest payments are made on May 1 of each calendar as residual receipts permits. Maturity date is August 1, 2075.	8,093,414
Note payable in the amount of \$633,912 dated August 1, 2020 and payable to the City of Alameda (CDBG loan) and secured by a deed of trust. The loan bears simple interest at a rate of 2.33%. Principal and interest payments are made as residual receipts permit. Maturity date is April 1, 2074	633,912
Note payable in the amount of \$515,683 dated March 24, 2021 and payable to the City of Alameda (HOME Fund) and secured by a subordinate deed of trust. The loan bears simple interest at a rate of 3.00% per annum. Principal and interest payments are made on May 1 from residual receipts and all unpaid principal and interest are due August 5, 2075.	516,683
Note payable to Greystone Servicing Company LLC with maximum borrowings of \$13,858,000, secured by a deed of trust, accrues interest at 3.44% and requires monthly payments of \$51,113. The Greystone Loan is due on September 1, 2040.	12,245,350
<u>Lakehurst and Mosley LP (Estuary I)</u>	
Note payable to the California Municipal Finance Authority ("CFMA") in the principal amount of \$27,184,366, secured by a deed of trust. The loan accrued interest at a rate equal to daily SOFR plus 2.5% (6.72% as of December 31, 2024). Interest-only payments are due monthly through the construction loan maturity on December 1, 2026, at which time the loan shall convert to the permanent phase. During the permanent phase, principal and interest payments are due monthly through the term loan maturity date, at which time all outstanding principal and accrued interest shall be due and payable.	15,596,079
Note payable to AAHC in the amount of \$3,438,000. The note bears no interest and is secured by a deed of trust. Commencing May 1, 2025, annual principal payments from residual receipts, through maturity on June 30, 2081, at which time outstanding principal shall be due and payable.	3,438,000
Note payable to Bank of America, N.A. in the principal amount of \$25,319,089, secured by a deed of trust. The loan accrues interest at a rate equal to daily SOFR, plus 2.5% (6.81% as of December 31, 2024). Interest only payments are due monthly through maturity on June 30, 2026, at which time all outstanding principal and accrued interest shall be due and payable.	8,308,249
Note payable to AAHC in the principal amount of \$5,000,000. The note accrues simple interest at 3.00% and is secured by a deed of trust. Commencing on May 1, 2025, annual principal and interest payments from residual receipts, through maturity on June 30, 2081, at which time all outstanding principal and accrued interest shall be due and payable.	5,000,000

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 10. BONDS AND NOTES PAYABLE (continued)**

<u>Description</u>	<u>Amount</u>
Various notes payable to the City of Alameda in the principal amounts totaling \$1,398,282, which accrue simple interest at 3.00% and are secured by deeds of trust. Commencing on May 1, 2026, annual principal and interest payments from residual receipts, through maturity on June 30, 2081, at which time all outstanding principal and accrued interest shall be due and payable.	<u>1,398,282</u>
Total bonds and notes payable to other lenders	61,432,156
Less: unamortized debt issuance costs	<u>(2,136,160)</u>
Total bonds and notes payable	<u>\$ 106,987,253</u>

Bonds and notes payable for the discretely present component unit is shown net of debt issuance costs totaling \$2,136,160. Future maturities of bonds and notes payable for the discretely presented component unit are as follows:

December 31, 2025	\$ 382,259
2026	24,303,837
2027	417,581
2028	436,026
2029	456,320
Thereafter	<u>83,127,390</u>
Total bonds and notes payable	<u>\$ 109,123,413</u>

Accrued interest payable as of June 30, 2025 and interest expense as of and for the year then ended for the discretely presented component unit totaled \$4,235,599 and \$1,597,120, respectively.

For the year ended June 30, 2025, the effective interest rates approximated the stated interest rates.

**NOTE 11. OTHER LIABILITIES**

Non-current liabilities of the primary government as of June 30, 2025 consisted of the following:

<u>Description</u>	<u>June 30, 2024</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2025</u>	<u>Amounts due within one Year</u>
Bonds and notes payable	\$ 28,453,774	\$ -	\$ (2,106,446)	\$ 26,347,328	\$ 568,808
Accrued pension liability	3,553,055	1,420,600	(1,436,560)	3,537,095	-
Compensated absences	356,124	211,460	-	567,584	414,596
Other liabilities	250,492	175,774	(168,774)	257,492	257,492
Lease liability	<u>215,089</u>	<u>-</u>	<u>(72,467)</u>	<u>142,622</u>	<u>66,448</u>
Total long-term liabilities	<u>\$ 32,828,534</u>	<u>\$ 1,807,834</u>	<u>\$ (3,784,247)</u>	<u>\$ 30,852,121</u>	<u>\$ 1,307,344</u>

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 11. OTHER LIABILITIES (continued)**

Non-current liabilities of the discretely presented component unit as of June 30, 2025 consisted of the following:

Description	June 30, 2024	Additions	Payments	June 30, 2025	Amounts due within one Year
Bonds and notes payable	\$ 70,131,336	\$ 40,207,415	\$ (3,351,498)	\$ 06,987,253	\$ 382,259

**NOTE 12. RESTRICTED NET POSITION**

Restricted net position consists of the following as of June 30, 2025:

Description	Primary Government	Discretely Presented Component Unit	Total Reporting Entity (Memorandum Only)
Housing assistance payment reserves	\$ 394,747	\$ -	\$ 394,747
Replacement reserves	2,224,399	-	2,224,399
Project reserves	195,270	1,203,356	1,398,626
Emergency housing vouchers	59,472	-	59,472
OPEB asset	607,407	-	607,407
Total restricted net position	\$ 3,481,295	\$ 1,203,356	\$ 4,684,651

Housing assistance payment reserves are restricted for use only in the Moving to Work Demonstration programs.

Replacement reserves represent funds held in reserve for future project expenditures in accordance with various regulatory agreements.

Project reserves are reserves that are required to be set aside for future project expenditures according to the respective regulatory agreement.

Emergency housing vouchers reserves are restricted for use only in the Emergency Housing Vouchers Program for program expenditures.

OPEB assets are restricted for future benefits in the Authority's OPEB Plan.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2025**

**NOTE 13. COMMITMENTS AND CONTINGENCIES**

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require repayments to HUD.

As of June 30, 2025, the Authority estimates that no material liabilities will result from such audits.

**NOTE 14. PENSION PLAN**

**A. 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, 2021 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.

**B. 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 (continued)  
JUNE 30, 2025**

**NOTE 14. PENSION PLAN (continued)**

**B. Benefits Provided (continued)**

The plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	<u>Miscellaneous Plan</u>	
Hire date	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting formula	5 years of service	5 years of service
Benefit payments	Monthly or life	Monthly or 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	7.00%	8.25%
Required employer contribution rates	13.31% + \$104,052	8.18% + \$12

**C. Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Miscellaneous Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The Authority's contributions to the plan for the measurement year ended June 30, 2024, were \$624,893. The Authority's contributions to the pension plan after the measurement year were \$695,280 in 2025.

**D. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, Deferred Inflows of Resources Related to Pensions**

The Authority's net pension liability of \$3,537,095 is measured as the proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability was determined by an actuarial valuation as of June 30, 2023. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of the contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Authority's proportion was 0.07106 percent, which was an increase of 0.007313 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Authority recognized pension expense of \$1,420,600. At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 14. PENSION PLAN (continued)**

**D. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, Deferred Inflows of Resources Related to Pensions (continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 90,911	\$ -
Adjustments due to differences in proportions	696,651	-
Differences between expected and actual experience	305,814	11,932
Net differences between actual and projected earnings on pension plan investments	203,626	-
Net differences between proportionate share of required contribution and actual contribution	-	402,096
Contribution subsequent to the measurement date	<u>695,280</u>	<u>-</u>
Total	<u>\$ 1,992,282</u>	<u>\$ 414,028</u>

The \$695,280 reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30:	<u>Amount</u>
2026	\$ 491,911
2027	451,595
2028	9,247
2029	<u>(69,779)</u>
	<u>\$ 882,974</u>

**E. Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

The total pension liabilities were determined using the following assumptions:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Salary increase	Varies by entry age and service
Discount rate	6.90%
Inflation	2.30
Investment rate of return	6.90%, net of pension plan investment and administrative expenses; includes inflation
Post retirement benefit increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.5% thereafter

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 14. PENSION PLAN (continued)**

**E. Actuarial Methods and Assumptions Used to Determine Total Pension Liability (continued)**

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2000 to 2019. Pre-retirement and Post-retirement mortality rates include generational improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 CalPERS Experience Study and Review of Actuarial Assumptions report that can be found on the CalPERS website.

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 long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return (a) (b)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
	<u>100.00%</u>	

(a) an expected inflation of 2.30% used for this period

(b) figured are based on the 2021-22 Asset Liability Management study

**F. Discount Rate**

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 14. PENSION PLAN (continued)**

**G. Sensitivity of the Proportionate Share of the Net Pension 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 6.90 percent, 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 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease <u>(5.90%)</u>	Current Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
Net pension liability	\$ <u>7,172,164</u>	\$ <u>3,537,095</u>	\$ <u>544,897</u>

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS**

**A. 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 (\$157 per month in 2024, increasing to \$158 in 2025). 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, CERBT (OPEB), P.O. Box 242709, Sacramento, California 94229-2709, or by calling 888-225-7377.

**B. Plan Membership Information**

Active plan members	46
Inactive plan members or beneficiaries currently receiving benefits	<u>12</u>
Total	<u><u>58</u></u>

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (continued)**

**C. 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.

**Actuarial Methods and Assumptions**

Valuation date	June 30, 2024
Measurement date	June 30, 2024
Payroll increases	3.25% annual increases
Discount rate	6.40%
Investment rate of return	6.00%, net of OPEB plan investment expense
Net investment return	6.40%, based on the CERBT Strategy 1 investment policy
Inflation rate	2.50%

Mortality rates were based on the most recent experience study for CalPERS members.

**D. Discount Rate**

GASB 75 requires the use of a discount rate that considers the availability of the OPEB plan's fiduciary net position associated with the OPEB of current active and inactive employees and the investment horizon of those resources.

OPEB plans with irrevocable trust accounts can utilize a discount rate equal to the long-term expected rate of return to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the OPEB plan assets are expected to be invested using a strategy to achieve that return.

To determine if the OPEB plan assets are sufficient, a calculation of the projected fiduciary net position and the amount of projected benefit payments is compared in each period. When OPEB plan assets are determined to not be sufficient, a blended rate is calculated.

For OPEB plans that do not have irrevocable trust accounts, GASB 75 requires a discount rate equal to the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The Authority has an irrevocable trust account for prefunding OPEB liabilities. Plan assets are expected to be sufficient. The discount rate used to measure the total OPEB liability is equal to the long-term expected rate of return.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (continued)**

**D. Discount Rate (continued)**

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class, based on published capital market assumptions, are summarized in the following table:

Investment Class	Assumed Asset Allocation	Real Rate of Return
Global Equity	49.00%	6.80%
Fixed income	23.00%	3.70%
TIPS	5.00%	2.80%
REITs	20.00%	6.0%
Other (Commodities)	3.00%	3.40%

**E. Changes in the Net OPEB Liability (Asset)**

The total OPEB liability (asset) shown below is based on an actuarial valuation performed as of June 30, 2024, and a measurement date of June 30, 2024:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2023	\$ <u>1,403,434</u>	\$ <u>1,452,552</u>	\$ <u>(49,118)</u>
Changes for the year:			
Service cost	110,025	-	110,025
Interest	89,459	-	89,459
Differences between expected and actual experience	(602,081)	-	(602,081)
Changes of assumptions	3,655	-	3,655
Net investment income	-	160,218	(160,218)
Benefit payments	(45,617)	(45,617)	-
Administrative expense	-	(474)	474
Net changes	<u>(444,559)</u>	<u>114,127</u>	<u>(558,686)</u>
Balance at June 30, 2024	\$ <u><u>958,875</u></u>	\$ <u><u>1,566,679</u></u>	\$ <u><u>(607,804)</u></u>

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (continued)**

**F. Sensitivity of the Net OPEB Liability (Asset) Due to Changes in the Discount Rate**

The following table represents the net OPEB liability (asset), calculated using the current discount rate of 6.40%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower (5.40%) or one percentage point higher (7.40%) than the current rate:

	1% Decrease (5.40%)	Current Discount Rate (6.40%)	1% Increase (7.40%)
Net OPEB liability (asset)	\$ <u>(472,723)</u>	\$ <u>(862,901)</u>	\$ <u>(719,446)</u>

**G. Sensitivity of the Net OPEB Liability (asset) Due to Changes in the Health Care Cost Trend Rate**

The following table represents the net OPEB liability (asset) of the Authority, calculated using the current health care cost trend rate 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	Discount Rate	1% Increase
Net OPEB liability (asset)	\$ <u>(738,417)</u>	\$ <u>(862,901)</u>	\$ <u>(445,756)</u>

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

For the year ended June 30, 2025, the Authority recognized an OPEB benefit in the amount of \$121,270. At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 167,132	\$ 61,297
Differences between expected and actual experience	12,491	745,977
Net differences between projected and actual earnings	<u>28,166</u>	<u>-</u>
Total	<u>\$ 207,789</u>	<u>\$ 807,274</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (continued)**

**H. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB (continued)**

Years ending June 30:	Recognized Deferred Outflows/Inflows of <u>Resources</u>
2026	\$ (94,193)
2027	(44,168)
2028	(109,415)
2029	(92,352)
2030	(61,845)
Thereafter	<u>(197,512)</u>
	<u>\$ (599,485)</u>

**NOTE 16. GUARANTEES**

**AAHC (Esperanza Apartments)**

Related to the Esperanza property located at 1903 3rd Street, the Authority entered into a Multifamily Loan and Security Agreement dated June 30, 2014. The Authority and the now legal owner AAHC continues to act as the guarantor for this non-recourse permanent loan.

**Sherman and Buena Vista LP (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 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, 2025, the outstanding operating deficit obligation is no longer in effect.

**Everett and Eagle LP (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 guarantee 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 (continued)**  
**JUNE 30, 2025**

**NOTE 16. GUARANTEES (continued)**

**Constitution and Eagle LP (Rosefield Village)**

Related to the Rosefield Village property located at the cross street of Constitution and Eagle Avenue, the Authority entered into a guaranty agreement dated August 2020, and attached as Exhibit D to the first amended and restated limited partnership agreement of Constitution & 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 guarantee is up to \$792,000. 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. Related to the Rosefield Village property located at the cross street of Constitution and Eagle Avenue, the Authority entered into a payment and performance guaranty dated August 2020, with Bank of America, N.A. related to a construction loan of \$40,322,758. As of June 30, 2025, the operating deficit loan guarantee is no longer in effect.

**Lakehurst and Mosley (Estuary I)**

Related to the Estuary I property that is in construction in progress located at 500 Mosley Avenue, the Authority and its affiliates entered into multiple legal agreements, including the Bank of America, N.A. construction loans (recourse), limited partnership agreement for Lakehurst and Mosley LP amongst other soft lenders. Various guarantees have been made by the Authority and its legal affiliates, including a payment guaranty on the construction loan of \$25 Million, Performance Guaranty to complete by August 2025 (including prompt payment of applicable property assessments and maintenance of insurance coverage), Loss of Subsidy Guaranty and an Operating Deficit Guaranty up to \$487,000 by Island City Development (discretely presented component unit) for 2 years commencing in year 3 after stabilization, totaling 5 years.

**Mabuhay and Lakehurst LP (Linnet Corner)**

Related to the Linnet Corner property that is in construction in progress located at 2000 Lakehurst Circle, the Authority and its affiliates entered into multiple legal agreements, including the Bank of America, N.A. construction loan (recourse), limited partnership agreement for Mabuhay and Lakehurst LP amongst other soft lenders. Various guarantees have been made by the Authority and its legal affiliates, including Payment Guaranty, Covenant Guaranty, Performance Guaranty to complete by October 2025 (including prompt payment of applicable property assessments and maintenance of insurance coverage) and a Loss of Subsidy Guaranty.

**NOTE 17. GROUND LEASES**

The Authority was the lessor in several ground leases as of June 30, 2025. Upon the adoption of GASB 87 in fiscal year 2022, certain prepaid ground leases were reclassified to deferred inflows of resources on the Authority's Statement of Net Position. These ground leases consisted of the following:

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 known as Littlejohn Commons. 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. As of June 30, 2025, the balance in deferred inflows of resources was \$3,114,390.

On August 1, 2020, the Authority entered into a ground lease agreement with Constitution and Eagle, LP, a subsidiary of Island City Development, for the property known as Rosefield Village and located at 717, 727 Buena Vista Avenue and 738, 740, 742, 746 Eagle Avenue. The lease term is 75 years, ending December 31, 2095. Prepaid rent for the entire lease term of \$13,110,000 was paid via the execution of a seller note on August 1, 2020. As of June 30, 2025, the balance in deferred inflows of resources was \$12,265,114.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2025**

**NOTE 17. GROUND LEASES (continued)**

On January 1, 2024, the Authority entered into a ground lease agreement with Lakehurst and Mosley, LP to develop land by constructing units thereon such that land and improvements will contain 45 units of housing known as Estuary I. The lease term is 99 years, ending December 31, 2123. Prepaid rent for the entire lease term of \$2,061,601 was paid via the execution of a seller note on the closing date. As of June 30, 2025, the balance in deferred inflows of resources was \$2,030,677.

As of June 30, 2025, the future rental income to be recognized under the prepaid ground leases is as follows:

Years ending June 30:	<u>Amount</u>
2026	\$ 229,860
2027	229,860
2028	229,860
2028	229,860
2030	229,860
Thereafter	<u>16,260,881</u>
	<u>\$ 17,410,181</u>

The remaining ground leases do not meet the reporting requirements of GASB 87, and are identified below.

On December 1, 1998, the Authority entered into a ground lease agreement with Regent Street. CLT Condominiums located at 1129-1131 Regent Street. The lease term is 99 years, ending in 2097. Pursuant to the ground lease agreement, the base annual rent is adjusted by the consumer price index. As of the fiscal year ending June 30, 2025, that amount is \$2,748.

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. Pursuant to the ground lease agreement, the base annual rent is adjusted by the consumer price index. As of the fiscal year ending June 30, 2025, that amount is \$2,616.

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. The rent will be amortized over the term of the lease in the amount of \$1, annually.

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. The rent will be amortized over the term of the lease in the amount of \$1, annually. Island City Development has an equity interest in Shinsei Gardens Apartments, LP, please refer to Note 1 – Discretely Presented Component Unit

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. The rent will be amortized over the term of the lease in the amount of \$1, annually.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2025**

**NOTE 17. GROUND LEASES (continued)**

On November 14, 2015, the Authority entered into a ground lease agreement with Stargell Commons, LP for the property located at 2700 Bette Street known as Stargell Commons Apartments. The lease term is 99 years, ending December 31, 2114. Initial rent of \$400,000 plus \$1 per year for the entire term. Prepaid rent for the entire lease term of \$99 was paid on December 2, 2015. The rent will be amortized over the term of the lease in the amount of \$4,041, annually. Island City Development has an equity interest in Stargell Commons, LP, please refer to Note 1 – Discretely Presented Component Unit

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 known as Everett Commons. 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. The rent will be amortized over the term of the lease in the amount of \$100, annually.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC, blended component unit, 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. The rent will be amortized over the term of the lease in the amount of \$1, annually.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC, blended component unit, 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. The rent will be amortized over the term of the lease in the amount of \$1, annually.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC, blended component unit, 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. The rent will be amortized over the term of the lease in the amount of \$1, annually.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC, blended component unit, 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. The rent will be amortized over the term of the lease in the amount of \$1, annually.

On March 1, 2024, the Authority entered into a ground lease agreement with Mabuhay and Lakehurst, LP, a subsidiary of Island City Development, to develop land by constructing units thereon such that land and improvements will contain 64 units of housing known as Linnet Corner. Commencing on May 1, 2025, and on May 1 of each calendar year thereafter through the end of the Lease Term (December 31, 2123), Mabuhay and Lakehurst, LP shall pay to the Authority annual rent equal to the lesser of the sum of \$65,450 (which is equal to 4.25% of \$1,540,000) plus any unpaid rent for a previous calendar year together with any interest thereon as provided by Cash Flow (as defined by the ground lease agreement). To the extent not paid with respect to any calendar year, the rent shall accrue and bear interest at 4.40%, compounded annually, until paid. Any unpaid rent shall be due from Mabuhay and Lakehurst, LP to the Authority upon any termination of the lease.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2025**

**NOTE 18. CONDENSED FINANCIAL INFORMATION FOR THE BLENDED COMPONENT UNIT**

	<u>Alameda Affordable Housing Corporation</u>
<b>Assets:</b>	
Current assets	\$ 2,248,193
Capital assets, net	10,223,151
Other non-current assets	12,777,336
Deferred outflows of resources	<u>189,453</u>
Total assets and deferred outflows of resources	<u>25,438,133</u>
<b>Liabilities:</b>	
Current	46,133,829
Non-current	20,612,942
Deferred inflows of resources	<u>301,395</u>
Total liabilities	<u>67,048,166</u>
<b>Net Position:</b>	
Net investment in capital assets	(10,467,565)
Restricted	333,842
Unrestricted	<u>(31,476,310)</u>
Net position	<u>\$ (41,610,033)</u>
<b>Operating revenues:</b>	
Tenant revenue	\$ 3,222,972
Government grants	9,892,863
Other revenues	<u>280,130</u>
Total operating revenues	<u>13,395,965</u>
<b>Operating expenses:</b>	
Administrative	4,657,935
Tenant services	726,113
Maintenance and utilities	3,466,442
Protective services	1,263
Insurance	497,934
General expenses	192,541
Depreciation	<u>830,979</u>
Total operating expenses	<u>10,373,207</u>
<b>Other income (expense)</b>	
Interest income	39,589
Interest expense	<u>(925,205)</u>
Net other expense	<u>(885,616)</u>
Net income before transfers	2,137,142
Transfer in (out)*	<u>21,317,850</u>
Total special items and transfers	<u>21,317,850</u>
Net income	<u>\$ 23,454,992</u>

\* This is a non-cash related party transaction with the Authority and is eliminated from presentation upon consolidation.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2025**

**NOTE 19. SUBSEQUENT EVENTS**

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through TBD (the date the financial statements were available to be issued) and determined that the following subsequent events require disclosure:

Estuary I (Lakehurst and Mosley, LP ) and Linnet Corner (Mabuhay and Lakehurst, LP) have fully leased up. It is anticipated these 2 properties will convert to permanent financing in 2026. Additionally, as the loan between AAHC and PNC Bank, National Association, that is secured by the properties known as Eagle Village and Parrot Village will August 1, 2026, staff has issued a request for proposals with lenders to for refinancing options.

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**INDEPENDENT AUDITORS' 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**

To the Board of Commissioners  
Housing Authority of the City of Alameda:

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 (primary government) and the discretely presented component unit of the Housing Authority of the City of Alameda (the "Authority") as of, and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated TBD.

Our report includes a reference to other auditors who audited the financial statements of Island City Development and Subsidiaries, the discretely presented component unit, as described in our report on the financial statements of the Authority. This report does not include the results of testing of internal control over financial reporting or compliance and other matters for Island City Development and Subsidiaries. The audit of Island City Development and Subsidiaries was not performed in accordance with *Government Auditing Standards*.

***Report on Internal Control Over Financial Reporting***

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

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

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

### ***Report on Compliance and Other Matters***

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

### ***Purpose of this Report***

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

TBD  
Toms River, New Jersey

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Commissioners  
Housing Authority of the City of Alameda:

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

***Opinion on Each Major Federal Program***

We have audited the Housing Authority of the City of Alameda's (the "Authority") compliance with the types of compliance requirements described in the Uniform Guidance that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2025. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

## ***Auditors' Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

## ***Report on Internal Control over Compliance***

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

***Purpose of this Report***

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.

TBD  
Toms River, New Jersey

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**SUPPLEMENTARY INFORMATION**

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**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Federal Grantor/Program Title</u>	<u>AL Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development:		
Housing Voucher Cluster		
Section 8 Housing Choice Vouchers	14.871	\$ 1,466,812
Emergency Housing Voucher	14.EHV	<u>1,306,276</u>
Total Housing Voucher Cluster		2,773,088
Section 8 Project-Based Cluster		
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	<u>295,299</u>
Total Section 8 Project-Based Cluster		295,299
Moving to Work Demonstration Program	14.881	45,964,888
Family Self Sufficiency Program	14.896	<u>117,088</u>
Subtotal United States Department of Housing and Urban Development - Direct Programs		49,150,363
U.S. Department of Housing and Urban Development - Pass Through Programs:		
County of Alameda:		
Shelter Plus Care	14.238	<u>465,195</u>
Subtotal Pass Through Programs - County of Alameda		465,195
Subtotal U.S. Department of Housing and Urban Development - Pass Through Programs:		<u>465,195</u>
Total Expenditures of Federal Awards		\$ <u><u>49,615,558</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended June 30, 2025. The information in the 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* (Uniform Guidance). Because the Schedule presents only a selected portion of 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. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

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

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3. INDIRECT COST RATE**

The Authority has elected not to use the ten 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  
FOR THE YEAR ENDED JUNE 30, 2025**

I. Summary of Auditors' Results

Financial Statement Section

- |    |   |               |
|----|---|---------------|
| 1. | Type of auditors' report issued:                    | Unmodified    |
| 2. | Internal control over financial reporting           |               |
|    | a. Material weakness(es) identified?                | No            |
|    | b. Significant deficiency(ies) identified?          | None Reported |
| 3. | Noncompliance material to the financial statements? | No            |

Federal Awards Section

- |    |  |               |
|----|--|---------------|
| 1. | Internal control over compliance:  |               |
|    | a. Material weakness(es) identified?   | No            |
|    | b. Significant deficiency(ies) identified?   | None reported |
| 2. | Type of auditors' report on compliance for major programs:   | Unmodified    |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No            |
| 4. | Identification of major programs:  |               |

AL Number

Name of Federal Program

14.871	Housing Voucher Cluster: Section 8 Housing Choice Vouchers Program Emergency Housing Vouchers
14.EHV	
14.881	Moving to Work Demonstration Program

- |    |  |             |
|----|--|-------------|
| 5. | Dollar threshold used to distinguish between Type A and Type B Programs: | \$1,488,467 |
| 6. | Auditee qualified as low-risk Auditee?                                   | Yes         |

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2025**

II. Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

III. Federal Award Findings and Questioned Costs

There were no findings or questioned costs relating to federal awards.

IV. Schedule of Prior Year Audit Findings

None.

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**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
REQUIRED PENSION INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2025**

**SCHEDULE OF THE AUTHORITY'S PENSION PLAN CONTRIBUTIONS**

	June 30, <u>2016</u>	June 30, <u>2017</u>	June 30, <u>2018</u>	June 30, <u>2019</u>	June 30, <u>2020</u>	June 30, <u>2021</u>	June 30, <u>2022</u>	June 30, <u>2023</u>	June 30, <u>2024</u>	June 30, <u>2025</u>
Actuarially determined contribution	\$ 1,393,004	\$ 1,322,171	\$ 336,127	\$ 381,431	\$ 436,954	\$ 549,515	\$ 591,704	\$ 641,420	\$ 660,948	\$ 624,893
Contributions in relation to the contractually required contribution	<u>1,393,004</u>	<u>1,322,171</u>	<u>336,127</u>	<u>381,431</u>	<u>436,954</u>	<u>1,549,515</u>	<u>591,704</u>	<u>641,420</u>	<u>660,948</u>	<u>624,893</u>
(Over) / under funded	\$ <u>-</u>	\$ <u>(1,000,000)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>				
Authority's covered employee payroll	\$ <u>2,717,587</u>	\$ <u>2,752,784</u>	\$ <u>3,906,839</u>	\$ <u>4,030,351</u>	\$ <u>3,464,574</u>	\$ <u>5,232,709</u>	\$ <u>5,377,022</u>	\$ <u>5,462,735</u>	\$ <u>5,432,200</u>	\$ <u>6,707,668</u>
Contributions as a percentage of covered employee payroll	<u>51.26 %</u>	<u>48.03 %</u>	<u>8.60 %</u>	<u>9.46 %</u>	<u>12.61 %</u>	<u>29.61 %</u>	<u>11.00 %</u>	<u>11.74 %</u>	<u>12.17 %</u>	<u>9.32 %</u>

See report of independent auditors.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
REQUIRED PENSION INFORMATION (continued)  
FOR THE YEAR ENDED JUNE 30, 2025**

**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY FOR THE LAST TEN FISCAL YEARS\*\*\***

Measurement Date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Authority's proportion of the net pension liability (asset)	<u>0.0676</u> %	<u>0.0485</u> %	<u>0.0540</u> %	<u>0.5392</u> %	<u>0.0613</u> %	<u>0.0447</u> %	<u>(0.0407)</u> %	<u>0.0631</u> %	<u>0.0711</u> %	<u>0.0731</u> %
Authority's proportionate share of the net pension liability (asset)	<u>\$ 1,854,640</u>	<u>\$ 1,684,952</u>	<u>\$ 2,127,040</u>	<u>\$ 2,032,192</u>	<u>\$ 2,454,725</u>	<u>\$ 1,884,641</u>	<u>\$ (772,808)</u>	<u>\$ 2,952,246</u>	<u>\$ 3,553,055</u>	<u>\$ 3,537,095</u>
Authority's covered employee payroll	<u>\$ 3,634,051</u>	<u>\$ 2,752,784</u>	<u>\$ 3,906,839</u>	<u>\$ 4,030,351</u>	<u>\$ 3,464,574</u>	<u>\$ 5,232,709</u>	<u>\$ 5,377,022</u>	<u>\$ 5,462,735</u>	<u>\$ 5,432,200</u>	<u>\$ 6,707,668</u>
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>51.04</u> %	<u>61.21</u> %	<u>54.44</u> %	<u>50.42</u> %	<u>70.85</u> %	<u>36.02</u> %	<u>(14.37)</u> %	<u>54.04</u> %	<u>65.41</u> %	<u>52.73</u> %
Plan fiduciary net position as a percentage of the total pension liability	<u>79.89</u> %	<u>75.87</u> %	<u>75.39</u> %	<u>77.69</u> %	<u>77.73</u> %	<u>77.71</u> %	<u>90.49</u> %	<u>87.64</u> %	<u>86.10</u> %	<u>86.87</u> %

**Changes in Actuarial Assumptions and Benefit Terms:**  
No changes noted.

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**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
REQUIRED OTHER POST EMPLOYMENT BENEFIT INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2025**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED RATIOS\*\*\***

	June 30, <u>2018</u>	June 30, <u>2019</u>	June 30, <u>2020</u>	June 30, <u>2021</u>	June 30, <u>2022</u>	June 30, <u>2023</u>	June 30, <u>2024</u>	June 30, <u>2025</u>
Total OPEB Liability (Asset):								
Service cost	\$ 162,835	\$ 56,590	\$ 56,628	\$ 59,460	\$ 66,881	\$ 70,225	\$ 86,710	\$ 110,025
Interest	74,812	89,980	70,891	76,779	69,169	75,712	82,095	89,459
Differences between expected and actual experience	(3,275)	(348,070)	(2,338)	(161,314)	(1,621)	19,184	-	(602,081)
Changes of assumptions	(1,482,802)	(17,137)	-	(41,226)	-	(48,586)	214,309	3,655
Benefit payments, including refunds of employee contributions	<u>(30,448)</u>	<u>(38,634)</u>	<u>(48,803)</u>	<u>(45,387)</u>	<u>(45,929)</u>	<u>(49,945)</u>	<u>(40,572)</u>	<u>(45,617)</u>
Net change in total OPEB liability (asset)	<u>(1,278,878)</u>	<u>(257,271)</u>	<u>76,378</u>	<u>(111,688)</u>	<u>88,500</u>	<u>66,590</u>	<u>342,542</u>	<u>(444,559)</u>
Plan fiduciary net position - beginning	<u>2,477,261</u>	<u>1,198,383</u>	<u>941,112</u>	<u>1,017,490</u>	<u>905,802</u>	<u>994,302</u>	<u>1,060,892</u>	<u>1,403,434</u>
Plan fiduciary net position - ending	<u>\$ 1,198,383</u>	<u>\$ 941,112</u>	<u>\$ 1,017,490</u>	<u>\$ 905,802</u>	<u>\$ 994,302</u>	<u>\$ 1,060,892</u>	<u>\$ 1,403,434</u>	<u>\$ 958,875</u>

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**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
REQUIRED OTHER POST EMPLOYMENT BENEFIT INFORMATION (continued)  
FOR THE YEAR ENDED JUNE 30, 2025**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED RATIOS\*\*\* (continued)**

	June 30, <u>2018</u>	June 30, <u>2019</u>	June 30, <u>2020</u>	June 30, <u>2021</u>	June 30, <u>2022</u>	June 30, <u>2023</u>	June 30, <u>2024</u>	June 30, <u>2025</u>
Total OPEB Liability (Asset):								
Plan Fiduciary Net Position:								
Contributions - employer	\$ 1,012,388	\$ 38,634	\$ 124,079	\$ 45,387	\$ 45,929	\$ 49,945	\$ 40,572	\$ -
Net investment income (loss)	(6,213)	76,420	68,342	42,246	340,154	(211,087)	87,690	160,218
Benefit payments, including refunds of employee contributions	(30,448)	(38,634)	(48,803)	(45,387)	(45,929)	(49,945)	(40,572)	(45,617)
Administrative expense	<u>(5)</u>	<u>(520)</u>	<u>(240)</u>	<u>(584)</u>	<u>(468)</u>	<u>(399)</u>	<u>-</u>	<u>(474)</u>
Net change in plan fiduciary net position	975,722	75,900	143,378	41,662	339,686	(211,486)	87,690	114,127
Plan fiduciary net position - beginning	<u>-</u>	<u>975,722</u>	<u>1,051,622</u>	<u>1,195,000</u>	<u>1,236,662</u>	<u>1,576,348</u>	<u>1,364,862</u>	<u>1,452,552</u>
Plan fiduciary net position - ending	<u>\$ 975,722</u>	<u>\$ 1,051,622</u>	<u>\$ 1,195,000</u>	<u>\$ 1,236,662</u>	<u>\$ 1,576,348</u>	<u>\$ 1,364,862</u>	<u>\$ 1,452,552</u>	<u>\$ 1,566,679</u>
Authority's net OPEB liability (asset)	<u>\$ 222,661</u>	<u>\$ (110,510)</u>	<u>\$ (177,510)</u>	<u>\$ (330,860)</u>	<u>\$ (582,046)</u>	<u>\$ (303,970)</u>	<u>\$ (48,721)</u>	<u>\$ (607,407)</u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	81.42 %	111.74 %	117.45 %	136.53 %	158.54 %	128.65 %	103.47 %	163.00 %
Covered payroll	<u>\$ 3,906,839</u>	<u>\$ 4,030,351</u>	<u>\$ 3,464,574</u>	<u>\$ 3,240,026</u>	<u>N/A</u>	<u>\$ 5,462,735</u>	<u>\$ 5,301,871</u>	<u>\$ 5,808,207</u>
Authority's net OPEB liability (asset) as a percentage of its covered-employee payroll	5.70 %	(2.74)%	(5.12)%	(10.21)%	N/A	(5.56)%	(0.92)%	(10.46)%

\*\*\* = 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.

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**HOUSING AUTHORITY OF THE CITY OF ALAMEDA  
REQUIRED OTHER POST EMPLOYMENT BENEFIT INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2025**

**SCHEDULE OF THE AUTHORITY'S OPEB PLAN CONTRIBUTIONS\*\*\***

	June 30, <u>2018</u>	June 30, <u>2019</u>	June 30, <u>2020</u>	June 30, <u>2021</u>	June 30, <u>2022</u>	June 30, <u>2023</u>	June 30, <u>2024</u>	June 30, <u>2025</u>
Actuarially determined contribution	\$ 128,377	\$ 78,605	\$ 60,751	\$ 63,789	\$ 71,750	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>(1,012,388)</u>	<u>(38,634)</u>	<u>(124,079)</u>	<u>(45,387)</u>	<u>45,929</u>	<u>49,945</u>	<u>40,572</u>	<u>45,617</u>
(Over) / under funded	<u>\$ (884,011)</u>	<u>\$ 39,971</u>	<u>\$ (63,328)</u>	<u>\$ 109,176</u>	<u>\$ 25,821</u>	<u>\$ (49,945)</u>	<u>\$ (40,572)</u>	<u>\$ (45,617)</u>
Authority's covered-employee payroll	<u>\$ 3,906,839</u>	<u>\$ 4,030,351</u>	<u>\$ 3,464,574</u>	<u>\$ 3,240,026</u>	<u>N/A</u>	<u>\$ 5,462,735</u>	<u>\$ 5,301,871</u>	<u>\$ 5,808,207</u>
Contributions as a percentage of covered employee payroll	<u>(25.91)%</u>	<u>(0.96)%</u>	<u>(3.58)%</u>	<u>(1.40)%</u>	<u>N/A</u>	<u>0.91 %</u>	<u>0.77 %</u>	<u>0.79 %</u>

\*\*\* = 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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