SANTA CLARA COUNTY
HOUSING AUTHORITY

Basic Financial Statements and Supplementary Information

For the Year Ended June 30, 2022

MGO Certified Public Accountants

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
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For the Year Ended June 30, 2022

MGO Certified Public Accountants

Independent Auditor's Report

Members of the Board of Commissioners of the
Santa Clara County Housing Authority
San Jose, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities (primary government) and the aggregate discretely presented component units of the Santa Clara County Housing Authority, California (Authority), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities (primary government) and the aggregate discretely presented component units of the Authority, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Authority's blended component units, which represent 27.9% of assets, 3.1% of net position, and 3.8% of revenues of the business-type activities as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. We also did not audit the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included those component units, are based solely on the report of the other auditors.

Basis for Opinions

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

The financial statements of the blended component units, except for: AE Associates, Ltd.; HACSC/Choices Family Associates; San Pedro Gardens Associates, Ltd.; and S.P.G. Housing, Inc.; and the financial statements of the discretely presented component units, except for Bendorf Drive, LP; Clarendon Street LP; Fairground Luxury Family Apartments, LP; and Huff Avenue, LLC; were not audited in accordance with *Government Auditing Standards*.

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Emphasis of Matter

As discussed in Note 14 to the financial statements, the Authority is dependent on the U.S. Department of Housing and Urban Development (HUD) for 95.5% of its operating revenues. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability and related ratios, schedule of pension contributions, schedule of changes in the net other postemployment benefits liability and related ratios, and schedule of other postemployment benefit contributions, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standard 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 opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplemental information, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain 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 individual and combining fund financial statements and schedules is 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 December 30, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 30, 2022

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This section of the Santa Clara County Housing Authority's (the "Authority") financial report presents management's discussion and analysis of the Authority's financial performance during the Fiscal Year (FY) ended June 30, 2022. Please read it in conjunction with the Authority's financial statements, which follows this section.

Financial Highlights

The assets and deferred outflows of resources of the Authority exceeded the liabilities and deferred inflows of resources by $557.7 million (net position). $58.3 million of the net position balance is restricted for specific purposes; $136.4 million is related to the Authority's investment in capital assets and is not available to meet on-going obligations; and $362.9 million is unrestricted and available for meeting on-going obligations.

The Authority's total increase in net position of $38.8 million to $557.7 million is a result of an increase of a $41.0 million in operating activity primarily from the Moving-To-Work (MTW), Section 8 Rental Vouchers, Special Purpose Vouchers (SPV) and development activities, offset by a deficit of $2.2 million primarily from the Housing Authority Reserves Account (HARA).

Overview of the Financial Statements

The financial statements consist of three parts: the management's discussion and analysis, the basic financial statements and supplementary information. The basic financial statements include three kinds of statements that present different views of the Authority:

- The first two statements are the government-wide financial statements that provide information about the Authority's overall financial position and results. These statements, which are presented on an accrual basis, consist of the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. The third statement, the Statement of Cash Flows reports how the Authority obtained and used its cash during the fiscal year. Activities are reported in this statement by its operating, noncapital financing, capital and related financing and investment activities.
- The basic financial statements also include Notes to Financial Statements section that provides further information and explanation on data that are in the Authority-wide and program/fund financial statements.
- The Notes to Financial Statements are followed by Required Supplementary Information (RSI) and Other Supplementary Information (OSI) sections. RSI presents additional information on pension and other postemployment benefits (OPEB) and OSI presents the financial statements of the Authority's combining component unit financial statements, combining schedules by program/fund on its federal and local programs, and other public housing combining schedules.

The remainder of the overview section of the management's discussion and analysis explains the structure and contents of each of these statements. The government-wide statements report information about the Authority as a whole, using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the Authority's assets and liabilities as well as its deferred outflows and inflows of resources and net position. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position regardless of when cash is received or paid.

The basic financial statements include both blended and discretely presented component units. Complete financial statements of individual component units can be obtained from the Authority's Finance Department.

Individual Program Financial Schedules

The combining program financial schedules provide more detailed information about the Authority's programs. The net position of these programs represents accumulated earnings since their inception, which are usually unrestricted for financial statements purposes. However, some of these earnings may be restricted by external funding sources for specific program purposes.

Financial Analysis of the Authority

Net Position - The increase in net position of $38.8 million as shown in the table below represents an increase in current year operations. For details explaining the changes to the net position, refer to the Financial Highlights section noted above.

The following table indicates the net position as of June 30, 2022 and 2021 (in thousands):

	June 30		Increase (Decrease)	
	2022	2021	Amount	Percent (%)
Assets:				
Current assets	$ 274,151	$ 258,321	$ 15,830	6%
Noncurrent and other assets	180,942	153,203	27,739	18%
Capital assets	228,825	230,915	(2,090)	-1%
Total assets	683,918	642,439	41,479	6%
Deferred outflows of resources related to pensions and OPEB	3,722	5,474	(1,752)	-32%
Liabilities:				
Current liabilities	12,644	15,813	(3,169)	-20%
Noncurrent liabilities	102,927	110,633	(7,706)	-7%
Total liabilities	115,571	126,446	(10,875)	-9%
Deferred inflows of resources related to pensions and OPEB	14,412	2,627	11,785	449%
Net Position				
Net investment in capital assets	136,421	144,805	(8,384)	-6%
Restricted	58,339	33,758	24,581	73%
Unrestricted	362,897	340,277	22,620	7%
Total net position	$ 557,657	$ 518,840	$ 38,817	7%

The Authority's net increase in total assets of $43.6 million, excluding capital assets is primarily due to the following:

- An increase in the receivables of $20.5 million includes $20.0 million from U.S. Department of Housing and Urban development (HUD) due to an increase in MTW net income for FY 2022.
- A net increase of $16.7 million in unrestricted and restricted cash, cash equivalents and investments mainly due to increases from operations of Development, HARA, MTW, Public Housing Proceeds, and SPV programs and Blended Component Units (BCUs).
- A net decrease of $0.9 million in short-term notes and interest receivables from related parties is due to the repayment of loan and interest received from cash flow distribution of affiliate entities.

- A net decrease of $8.6 million in long term receivables from component units and related parties is primarily due to:
  - A decrease of $13.6 million in notes receivable issued to BCUs in FY 2021 that were not eliminated until FY 2022 because of the timing difference between the Authority's and the BCU's fiscal year end.
  - The above decrease was offset by an increase of $5.0 million due to new notes issued and interest accrued in FY 2022.
- An increase of $0.2 million in long-term receivables related to promissory notes issued to tenants for the sale of mobile homes at the Buena Vista Mobile Home Park.
- An increase of $13.6 million and $2.4 million due to change in net pension asset and net OPEB asset, respectively.
- A decrease of $0.3 million in equity interest in affiliated limited partnerships.

The decrease of $1.8 million in deferred outflows of resources represents is due to changes in pension and OPEB related balances.

The Authority's net decrease in total liabilities of $10.9 million is primarily due to the following:

- A decrease of $0.4 million in accounts payable is related to timing of invoice payments.
- An increase of $0.7 million in Family Self Sufficiency (FSS) Escrow balance is due to increase in the number of participants and their escrow income during FY 2022.
- A decrease of $0.4 million in other accrued liabilities is related to adjustments for 2018, 2019 and 2020 property tax bills for tax exempt status related to Helzer Associates LP.
- The net decrease in unearned revenues of $0.7 million includes a decrease of $1.1 million in CARES Act grants received in FY 2021 and earned in FY 2022, offset by an increase of $0.4 million in Emergency Housing Voucher (EHV) administrative fees received from HUD in FY 2022 but not earned.
- Current payables to component units and related parties decreased by $1.7 million is primarily due to:
  - Debt payments to the Authority from cash flow distributions.
  - Notes issued to BCUs in FY2021 were not eliminated until FY 2022 because of the timing difference between the Authority's and the BCUs' fiscal year end.
- A net decrease of $13.8 million in long-term payables to component units and related parties include a decrease of $14.5 million related to the Buena Vista Mobile Home Park loan that was paid back in FY 2022, offset by an increase of $0.7 million for payables that were not eliminated due to the timing difference between the Authority's and the BCU's fiscal year end.
- Long-term debt increased by $5.3 million primarily due to the new loan of $14.5 million to Poco Way HDC, Inc. from the County of Santa Clara, offset by a decrease of $8.2 million in scheduled principal payments.

The increase of $11.8 million in deferred inflows of resources is mainly due to changes in pension and OPEB related balances for net difference between projected and actual earnings on plan investments.

Statement of Revenues, Expenses and Changes in Net Position - The statement shows the sources of the Authority's changes in net position as they arise through its various programs and functions. A summary of the activities for the fiscal years ended June 30, 2022 and 2021 is shown in the following table (in thousands):

	June 30		Increase (Decrease)	
	2022	2021	Amount	Percent (%)
Operating revenues				
Rental income	$ 16,006	$ 16,053	$ (47)	0%
Service fees	403	313	90	29%
Housing assistance payment earned	445,116	418,550	26,566	6%
HUD administrative fees	24,299	21,121	3,178	15%
HUD administrative fees - Cares Act	1,110	3,586	(2,476)	-69%
Other	9,392	7,657	1,735	23%
Total operating revenues	496,326	467,280	29,046	6%
Operating expenses				
Wages and benefits	22,845	21,088	1,757	8%
Pension and OPEB expense	971	1,951	(980)	-50%
Administrative	2,970	2,857	113	4%
Tenant services	1,110	901	209	23%
Utilities	1,870	1,794	76	4%
Maintenance and operations	4,473	3,991	482	12%
General	2,345	1,827	518	28%
Depreciation and amortization	5,611	5,075	536	11%
Housing assistance payments	407,573	380,165	27,408	7%
Other	5,417	4,596	821	18%
Total operating expenses	455,185	424,245	30,940	7%
Operating income	41,141	43,035	(1,894)	-4%
Nonoperating revenues (expenses)				
Gain on disposition of capital assets	(1,073)	460	(1,533)	-333%
Investment income	2,529	5,700	(3,171)	-56%
Interest expense	(3,925)	(4,035)	110	-3%
Other nonoperating expenses net	145	-	145	n/a
Total nonoperating revenues (expenses)	(2,324)	2,125	(4,449)	-209%
Change in net position	38,817	45,160	(6,343)	-14%
Net position, beginning of year	518,840	473,680	45,160	10%
Net position, end of year	$ 557,657	$ 518,840	$ 38,817	7%

Revenues: As compared to FY2021, the 2022 operating revenues increased by $29.0 million primarily due to the following:

- $26.6 million increase in Housing Assistance Payments (HAP) earned due to:
  - An increase of $14.7 million in MTW Section 8 Housing Choice Voucher (HCV) funding based on a 4% increase in funding eligibility and proration factors.
  - An increase of $9.9 million in HAP funding from the new EHV program.
  - A net increase of $2.0 million in HAP earned from SPV due to an increase in HAP expenditures. SPV vouchers are funded based on prior year expenditure levels.

- $3.2 million increase in HUD administrative fees is related to an increase of approximately 9,604 unit months leased for vouchers (including project-based voucher vacancies), 5% increase in the average HUD funding proration factor and 6% increase in administrative fee rates per unit for FY 2022.
- $2.5 million decrease in CARES Act grant funding. These funds were received in FY 2021 and the period of availability ended in December 31, 2021.
- A net increase of $1.7 million in other operating revenues includes an increase of $4.4 million related to deferred developer fees from Park Avenue Apartments, pension income, and ground lease revenues from DeRose Gardens Apartments. These were offset by a decrease of $2.7 million primarily due to the Demolition Disposition Transitional Funding (DDTF) that was not available in FY 2022.

Expenses: As compared to FY2021, the total operating expenses in FY 2022 increased by $30.9 million, mainly due to the following:

- HAP payments increased by $27.4 million primarily due to the following reasons:
  - The Authority increased its payment standards for SRO, 0 BR (Studios) and 1 BR to 4 BR units. The new payment standards were effective March 1, 2022 and applied to all MTW and non-MTW vouchers.
  - Leasing of new PBV projects (186 units).
  - The continuing impact of COVID-19, resulted in loss of family wages which increased the Authority's HAP subsidy.
  - A 2% increase in the lease-up rate for the HCV program.
- Wages and benefits increased by $1.8 million primarily due to a 3% COLA increase and employee merit increases paid out in FY 2022.
- Net pension and OPEB expenses decreased by $1.0 million because the Authority recognized a pension income for FY 2022 instead of a pension expense for FY 2021. This was primarily due to favorable market conditions that lead to higher investment return for pension plan assets.
- Maintenance and operations increased by $0.5 million due to operations of the 3553 North First Street, the Julian Street office building and affiliate properties.
- General expenses increased by $0.5 million primarily due to additional costs incurred in response to the pandemic related to payroll, tenant security deposit assistance and IT enhancements.
- Depreciation and amortization expenditures increased by $0.5 million primarily due to:
  - The addition of recreational vehicles and sheds at the Buena Vista Mobile Home Park.
  - A full year of depreciation incurred in FY 2022 for the 3553 North First Street property and the Tenant Applicant and Interest List portal that were placed in service at a later part of FY 2021.
- Other expenses increased by $0.8 million because the Tenant Applicant Portal enhancement project was cancelled, and the costs related to the project were fully expensed in FY 2022.
- The remaining increase of $0.4 million is related to increases in administrative expenses, tenant services and utilities.

Net Nonoperating Revenues (Expenses): Nonoperating revenues decreased by $4.4 million primarily due to a $3.2 million decrease in investment income resulting from a negative market condition in the last 2 quarters of FY 2022. The remaining $1.2 million decrease is mainly due to loss on disposition of capital assets from BCUs and Section 8 Rental Voucher.

Financial Analysis of the Authority's Programs

At the end of the fiscal year, the unrestricted net position for the MTW program was $290.4 million. As discussed in Note 15, "Moving-to-Work program", the eligible uses of MTW funds are defined in the MTW agreements and states that the eligibility would be as under Sections 9(d)(1), 9(e)(1) and 8(o) of the 1937 Act and the Authority may use MTW Reserves for activities that would be eligible for Public Housing and Voucher programs. The Authority also reported unrestricted net position of $73.1 million for the Public Housing Proceeds program. These funds are related to the disposition of the Authority's properties under the HUD's Conventional Housing Program.

In addition, at the end of the fiscal year, the unrestricted net position for the Conventional Housing, the Public Housing Capital, the Section 8 Rental Voucher, the Special Purpose Voucher, Section 8 Moderate Rehabilitation, the Real Estate Services and the Development Services programs were as shown in the table below (in thousands):

Programs	Amount
Conventional Housing	$ 14
Public Housing Capital	6,414
Section 8 Rental Voucher	(8,268)
Special Purpose Voucher	889
Section 8 Moderate Rehabilitation	139
Real Estate Services	(945)
Development Services	4,402

Capital Acquisitions and Construction Activities

During the fiscal year ended June 30, 2022, the Authority's capital assets decreased by $2.1 million primarily due to the following:

- A decrease of $1.9 million in land due to the sale of Lot 2 parcel #467-15-010 land at East Santa Clara Street, San Jose.
- A net increase in construction in progress of $3.3 million due to increases in pre-development activities for the Buena Vista Mobile Home Park, East Santa Clara, Alvarado, Bellarmino, and Hawthorn projects and building improvement design costs for the property at 3553 North First Street. These increases were offset by the cancellation of the Tenant Applicant Portal enhancement project.
- An increase of $0.7 million in building improvements for BCUs.
- An increase of $1.3 million in furniture and equipment due to the acquisition of recreational vehicles, mobile homes, and sheds to replace existing homes at the Buena Vista Mobile Home Park.

These were offset by depreciation expenses of $5.5 million. Additional information on the Authority's capital assets can be found in Note 6 "Capital Assets" to the basic financial statements.

Long-Term Debt Activity (in thousands)

	June 30		Increase (Decrease)	
	2022	2021	Amount	Percent (%)
Section 8 Rental Voucher Program				
Notes payable	$ 972	$ 972	$ -	0%
Other Payables				
Accrued vacation and sick leave	2,211	2,101	110	5%
Other blended component units	91,391	85,139	6,252	7%
Interest payable	9,043	10,151	(1,108)	-11%
Total primary government	$ 103,617	$ 98,363	$ 5,254	5%

Long-term debt increased by $5.3 million primarily due to a new loan of $14.5 million in Poco Way HDC, Inc. from the County of Santa Clara, offset by a decrease of $8.2 million in scheduled principal payments. There is also an increase of $0.1 million in accrued vacation and sick leave. Additional information on the Authority's Long-Term Debt Activity can be found in Note 7, "Long-Term Obligations", to the basic financial statements.

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development.
- Future congressional appropriation bills on MTW funding.
- Local and national property rental markets that determine HAP Payments.
- Local labor supply and demand, which can affect employment costs such as salary and wage rates.
- Local inflationary, economic and employment trends that can affect residents' income and therefore impact the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs.

Contact

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Santa Clara County Housing Authority, CFO/Director of Finance, 505 W. Julian Street, San Jose, CA 95110.

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Statement of Net Position
June 30, 2022

	Primary Government - Business-type Activities	Discretely Presented Component Units
Assets:		
Current assets:		
Unrestricted cash and cash equivalents (Note 3)	$ 41,435,666	$ 18,146,079
Unrestricted short term investments (Note 3)	20,203,643	-
Accounts receivable:		
Tenants	133,783	264,648
HUD (Note 15)	180,565,239	115,707
Others	900,387	114,003
Interest receivable	39,006	-
Due from component units and related parties (Note 9)	1,341,774	-
Prepaid expenses	748,829	756,696
Restricted cash and cash equivalents (Note 3)	28,030,263	25,309,900
Restricted short term investments (Note 3)	752,531	-
Total current assets	274,151,121	44,707,033
Noncurrent assets:		
Long-term investments (Note 3)	22,979,978	-
Restricted long-term investments (Note 3)	2,221,176	-
Long-term receivables from non-related parties (Note 4)	5,870,353	-
Long-term receivables from component units and related parties (Note 9)	110,584,461	-
Net pension asset (Note 12)	26,914,617	-
Net OPEB asset (Note 13)	5,607,951	-
Equity interest in affiliated limited partnerships (Note 9)	6,763,076	-
Other assets	-	1,338,350
Capital assets (Note 6):		
Nondepreciable	155,743,218	21,932,946
Depreciable	73,081,945	339,641,410
Total capital assets	228,825,163	361,574,356
Total noncurrent assets	409,766,775	362,912,706
Total assets	683,917,896	407,619,739
Deferred outflows of resources:		
Pension related (Note 12)	2,366,977	-
Other post employment benefits (OPEB) related (Note 13)	1,355,353	-
Total deferred outflows of resources	3,722,330	-

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SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Statement of Net Position (Continued)
June 30, 2022

	Primary Government - Business-type Activities	Discretely Presented Component Units
Liabilities:		
Current liabilities:		
Accounts payable	$ 2,588,820	$ 3,234,735
Accrued wages and benefits	898,022	-
Accrued interest payable (Notes 7 and 17)	955,567	613,234
Intergovernmental payable	69,722	-
Payable to component units and related parties	379,678	1,404,868
Due to primary government	-	6,669,153
Other accrued liabilities	20,519	-
Tenant security deposits	773,693	1,372,819
Unearned revenue	3,483,761	215,097
Current portion of accrued vacation and sick leave (Note 7)	300,036	-
Current potion of FSS escrow	338,651	-
Current portion of long-term obligations (Notes 7 and 17)	2,835,964	5,994,367
Total current liabilities	12,644,433	19,504,273
Noncurrent liabilities:		
FSS escrow	2,363,641	-
Accrued vacation and sick leave, net of current portion (Note 7)	1,910,776	-
Payable to component units and related parties, net of current portion	1,037,124	-
Long-term interest payable (Notes 7 and 17)	8,087,754	3,093,250
Long-term obligations, net of current portion (Notes 7 and 17)	89,527,478	161,779,756
Advance from primary government	-	108,185,810
Total noncurrent liabilities	102,926,773	273,058,816
Total liabilities	115,571,206	292,563,089
Deferred inflows of resources:		
Pension related (Note 12)	9,559,350	-
OPEB related (Note 13)	4,852,713	-
Total deferred inflows of resources	14,412,063	-
Net position:		
Net investment in capital assets	136,421,439	101,129,157
Restricted	58,339,058	18,327,428
Unrestricted	362,896,460	(4,399,935)
Total net position	$ 557,656,957	$ 115,056,650

SANTA CLARA COUNTY HOUSING AUTHORITY

(A Component Unit of the County of Santa Clara)

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2022

	Primary Government - Business-type Activities	Discretely Presented Component Units
Operating revenues:		
Rental income	$ 16,005,971	$ 46,050,246
Service fees	402,972	-
HUD housing assistance payments earned	445,115,452	-
HUD administrative fees	24,299,379	-
HUD administrative fees - CARES Act	1,110,000	-
Other	9,391,967	324,677
Total operating revenues	496,325,741	46,374,923
Operating expenses:		
Wages and benefits	22,844,823	-
Pension and OPEB expense (Notes 12 and 13)	971,140	-
Administrative	2,969,794	5,031,648
Tenant services	1,110,505	-
Utilities	1,870,054	3,013,072
Maintenance and operations	4,473,062	6,564,122
General	2,345,553	811,594
Depreciation and amortization	5,610,502	13,616,546
Housing assistance payments	407,572,545	-
Other	5,417,102	1,561,994
Total operating expenses	455,185,080	30,598,976
Operating income	41,140,661	15,775,947
Nonoperating revenues (expenses):		
Gain (loss) on disposal of capital assets	(1,072,689)	-
Investment income	2,528,509	36,111
Interest expense	(3,924,476)	(11,548,292)
Other nonoperating revenues (expenses), net	145,042	(4,517,848)
Total nonoperating revenues (expenses)	(2,323,614)	(16,030,029)
Income (loss) before capital contributions	38,817,047	(254,082)
Capital contributions (distributions)	-	(2,386,073)
Change in net position	38,817,047	(2,640,155)
Net position, beginning of year	518,839,910	117,696,805
Net position, end of year	$ 557,656,957	$ 115,056,650

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Statement of Cash Flows
For the Year Ended June 30, 2022

	Primary Government - Business-type Activities
Cash flows from operating activities:	
Receipts from tenants	$ 16,759,016
Receipts from customers and others	9,734,961
Receipts from housing assistance programs	450,568,977
Payments to suppliers for goods and services	(18,682,771)
Housing assistance payments on behalf of tenants	(407,550,356)
Payments to employees for services	(26,219,636)
Net cash provided by operating activities	24,610,191
Cash flows from noncapital financing activities:	
Change of loans and other receivables to non-related parties	(199,571)
Loan repayment received from related parties and component units	8,741,535
Loan repayment made to related parties and component units	(15,443,141)
Net cash used in noncapital financing activities	(6,901,177)
Cash flows from capital and related financing activities:	
Proceeds from sale of capital assets	1,508,442
Acquisition of capital assets	(6,101,267)
Proceeds from long-term liabilities	14,500,000
Repayments of short-term and long-term liabilities	(8,247,730)
Interest and other fees paid	(5,032,606)
Net cash used in capital and related financing activities	(3,373,161)
Cash flows from investing activities:	
Interest received	2,341,084
Proceeds from sale of investments	1,794,875
Purchase of investments	(22,222,764)
Net cash used in investing activities	(18,086,805)
Net change in cash and cash equivalents	(3,750,952)
Cash and cash equivalents, beginning of year	94,173,055
Cash and cash equivalents, end of year	$ 90,422,103

(Continued)

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2022

	Primary Government - Business-type Activities
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 41,140,661
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation	5,610,502
Others	145,042
Decrease (increase) in:	
Receivables	(19,533,512)
Prepaid expenses	(38,078)
Net pension asset	(13,575,083)
Net OPEB asset	(2,398,578)
Other assets	298,271
Deferred outflows of resources	1,752,514
Increase (decrease) in:	
Accounts payable	(366,022)
Accrued wages and benefits	(77,691)
Tenant security deposits and FSS escrow	788,209
Unearned revenues	(662,526)
Accrued vacation and sick leave	110,252
Other liabilities	(390,872)
Deferred inflows of resources	11,784,913
Net cash provided by operating activities	$ 24,610,191
Cash and cash equivalents:	
Unrestricted cash and cash equivalents	$ 41,435,666
Unrestricted short term investments	20,203,643
Restricted cash and cash equivalents	28,030,263
Restricted short term investments	752,531
Total cash and cash equivalents	$ 90,422,103
Noncash investing activities	
Increase in accrued interest receivables	$ 177,853

Note 1 - The Financial Reporting Entity

Primary government

The Housing Authority of the County of Santa Clara (the "Authority") was established in 1967 by the Santa Clara County (the "County") Board of Supervisors to administer a federal rent subsidy program authorized under the United States Housing Act of 1937. To mark the Authority's 50-year anniversary, on July 1, 2017, the Authority changed its name from the Housing Authority of the County of Santa Clara to Santa Clara County Housing Authority. The Authority's (the "Primary Government") mission is to provide and inspire affordable housing solutions to enable low-income people in Santa Clara County to achieve financial stability and self-reliance. It exists to make housing safe and affordable for low-income families and individuals through voucher programs and rental properties. It also provides information, referrals, incentives, and services that help its clients stabilize their lives and increase their capacity to be economically self-sufficient. The Authority's general operation is overseen by the Board of Commissioners (the "Board"), members of which are appointed by the County Board of Supervisors. The Board consists of seven commissioners, one from each of the five supervisorial districts and two tenants of the Authority, one being a senior citizen. Each member is appointed for a four-year term except the resident commissioners, who are appointed for two-year terms. Because of the County's appointment of the voting majority of the Board, the Authority has been reported as a discretely presented component unit of the County.

Component units

Component units (CUs) are legally separate organizations for which a Primary Government has some degree of control, or from which it receives a financial benefit or burden. CUs are included within the primary government's financial statements as discretely presented or blended units. CUs are discretely presented unless they qualify as a blended unit, which includes the governing board being substantially the same as the primary government's governing board and (1) there is a financial benefit or burden relationship between the primary government and the CU or (2) management of the primary government has operational responsibility for the CU. A CU can also be blended if the total outstanding debt of the CU is expected to be paid with resources of the primary government.

The Authority's basic financial statements include both discretely presented and blended CUs. The discretely presented CUs are reported in a separate column within the government-wide financial statements because the Authority does not have majority control over these entities and their outstanding debt is not expected to be paid by the Authority.

Conversely, the blended CUs' financial statements are incorporated with the primary government financial statements as previously noted. The following section discusses the Authority's blended and discretely presented CUs.

Blended component units

The blended CUs are combined with the primary government's financial statements and have a December 31, 2021 year-end, except for the Housing Development Corporation which has a June 30, 2022 year-end.

<u>Housing Development Corporation ("HDC")</u> **-** A non-profit public benefit corporation organized on September 14, 1983, in the State of California. The HDC engaged in the construction of the Authority's central office building and the leasing of such property to the County. The Authority subleased the building to be used as the site of its central offices. The HDC's policies are determined by a five-member board. The HDC has no employees and all staff work is done by the Authority staff or by consultants to the HDC. In addition, the HDC and the Authority have a financial and operational relationship which requires that the

HDC's financial statements be blended into the Authority's financial statements. HDC did not have any activity or balances to report for fiscal year 2022.

AE Associates, Ltd. - A California limited partnership formed in August 1991 to develop and operate an 84-unit affordable housing complex for the elderly located in San Jose, California. AE Associates, Ltd.'s General Partner, Avenida Espana HDC, Inc., an Authority affiliated non-profit general partner, maintains 1% ownership. The Authority, as the limited partner, owns 99% of the partnership. As the majority partner, the Authority can impose its will on AE Associates, Ltd. As a result, it is presented as a blended component unit.

Alvarado Park, L.P. - A California limited partnership formed on December 4, 2017, to develop and operate housing complexes located in San Jose, California. Alvarado Park, L.P.'s General Partner, Villa Garcia, Inc., is an Authority affiliated non-profit public benefit corporation that maintains a 0.01% ownership interest. The Authority, as the limited partner, owns 99.99% of the partnership. As the majority partner, the Authority can impose its will on Alvarado Park, LP. As a result, it is presented as a blended component unit.

Avenida Espana HDC, Inc. - A non-profit corporation organized in April 1990, serves as the general partner in four limited partnerships (AE Associates, Ltd., Rincon Gardens Associates, L.P., Julian Street Partners, L.P. and McCreery Avenue LP). Avenida Espana HDC, Inc.'s three-member Board of Directors is appointed by the majority of the current board where no more than one of the three board members can be current commissioners, officers or employees of the primary government. Avenida Espana HDC, Inc. is a blended component unit of the Authority because the Authority is legally obligated to finance operating deficits and provide tax indemnification guarantees of Avenida Espana HDC, Inc. In addition, one of the board members is the Executive Director of the Authority and the Authority has operational and financial responsibility for Avenida Espana HDC, Inc.

Bascom HACSC Associates - A California limited partnership formed on April 6, 2000 to develop and operate a 125-unit affordable housing complex for the elderly in Campbell, California, operating under the name of El Parador Apartments. Bascom HACSC Associates' General Partner, DeRose HDC, Inc., is an Authority affiliated non-profit public benefit corporation that maintains a 0.01% ownership interest. On July 31, 2019, the Authority paid $3.0 million to acquire the 99.99% limited partnership interest. As the majority partner, the Authority can impose its will on Bascom HACSC Associates. As a result, it is presented as a blended component unit.

Bellarmino Place L.P. - A California limited partnership formed on December 4, 2017, to develop and operate housing complexes located in San Jose, California. Bellarmino Place, LP's General Partner, Villa Garcia, Inc., is an Authority affiliated non-profit public benefit corporation that maintains a 0.01% ownership interest. The Authority, as the limited partner, owns 99.99% of the partnership. As the majority partner, the Authority can impose its will on Bellarmino Place, LP. As a result, it is presented as a blended component unit.

Blossom River Associates L.P. - A California limited partnership formed in August 1996 to develop and operate a 144-unit affordable housing complex in San Jose, California, which is currently operating under the name Blossom River Apartments. The partnership is comprised of its general partner, DeRose HDC, Inc., an Authority affiliate, and the Authority as its limited partner with 99.99% ownership. As the majority partner, the Authority can impose its will on Blossom River Associates L.P. As a result, it is presented as a blended component unit.

Bracher HDC, Inc. - A California non-profit corporation organized in August 1993 to provide housing for low-income persons, where no adequate housing exists for such groups. It is serving as a general partner in two limited partnerships (HACSC/Choices Senior Associates and HACSC/Choices Family Associates) and as a Limited Partner for Willows/HACSC Associates. Bracher HDC, Inc.'s three-member board is comprised of three Directors appointed by the Authority's Executive Director. Bracher HDC, Inc. is a blended component unit of the Authority because it is legally obligated to finance operating deficits of Bracher HDC, Inc. and to provide tax indemnification guarantees on behalf of Bracher HDC, Inc. for its partnerships.

DeRose HDC, Inc. - A California non-profit corporation was created in October 1988. It serves as the general partner for Blossom River Associates LP and Bascom HACSC Associates LP. In addition, it is the sole member for Hermocilla LLC, which owns The Villa Hermosa Apartments. On September 2, 2021, DeRose HDC, Inc became the sole owner of Bayberry, Hawthorn, and Primrose Senior Apartments LLCs. These three LLCs were created to serve as a general partner with a 0.01% ownership of the Bayberry, Hawthorn, and Primrose Apartments, LPs. The Authority is the Limited Partner for all the three limited partnerships with a 99.99% ownership interest.

DeRose HDC, Inc. is a blended component unit of the Authority because the Authority's Board appoints the directors of DeRose HDC, Inc. and is legally obligated to finance operating deficits and provide tax indemnification on behalf of DeRose HDC, Inc. partnerships.

HACSC / Choices Family Associates L.P. – A California limited partnership organized in February 2000 to develop and operate a 100-unit affordable housing complex located in Santa Clara, California is currently operating under the name of River Town Apartments. On January 31, 2019, the Authority acquired the 99.99% limited partnership interest. Bracher, HDC, Inc., which is a non-profit organization affiliated with the Authority, owns 0.01% of the entity. As the majority partner, the Authority can impose its will on HACSC / Choices Family Associates L.P. As a result, it is presented as a blended component unit.

HACSC / Choices Senior Associates L.P. – A California limited partnership organized in February 2000 to develop and operate a 100-unit affordable housing complex located in Santa Clara, California is currently operating under the name of John Burns Apartments. On January 31, 2019, the Authority acquired the 99.99% limited partnership interest. Bracher, HDC, Inc., which is a non-profit organization affiliated with the Authority, owns 0.01% of the entity. As the majority partner, the Authority can impose its will on HACSC / Choices Senior Associates L.P. As a result, it is presented as a blended component unit.

Hawthorn Senior Apartments L.P. – A California limited partnership formed on September 2, 2021, to develop and operate housing complexes located in San Jose, California. Its General Partner, Hawthorn Senior Apartments LLC is an Authority affiliated non-profit public benefit corporation that maintains a 0.01% ownership interest. The Authority, as the limited partner, owns 99.99% of the partnership. As the majority partner, the Authority can impose its will on Hawthorn Senior Apartments L.P. As a result, it is presented as a blended component unit.

Helzer Associates, L.P. – A California limited partnership organized in March 1998. Pinmore HDC, Inc. is the 0.1% general partner and the Authority as the limited partners owns 99.9% of the entity. As a result, the Authority can impose its will on this partnership; therefore, it is presented as a blended component unit.

Klamath Associates, L.P. A California limited partnership formed in November 1993 to develop and operate a 17-unit affordable housing complex located in Santa Clara, California, which is currently operating under the name of Klamath Gardens Apartments. S.P.G. Housing Inc., which is a non-profit organization affiliated with the Authority, is its general partner with a 1% interest. Its limited partner is the Authority with a 99% interest. Since the Authority is the majority partner it can impose its will on Klamath Associates, L.P. as such the partnership is presented as a blended component unit.

Pinmore HDC, Inc. - A California non-profit corporation established in September 1993 to serve as a general partner in six limited partnerships which include Helzer Associates, Willows/HACSC Associates, Fairgrounds Luxury Family Apartments and Fairgrounds Senior Housing. In 2015, Pinmore HDC, Inc. became the general partner for Park Avenue Seniors, L.P. and Laurel Grove Family, L.P., which have commenced development activities for a 100-unit affordable senior housing project and an 82-unit affordable housing project, respectively. Pinmore HDC, Inc. is a blended component unit of the Authority because the three-member governing board is comprised of the Executive Director of the Authority and two Authority staff. The Authority is legally obligated to finance deficits of Pinmore HDC, Inc. and has operational and financial responsibility.

Poco Way HDC, Inc. - A California non-profit corporation was established in July 1994 as a nonprofit benefit corporation to provide housing for low and moderate income persons, and to serve as the general partner in limited partnerships which own and operate housing for the benefit of low and moderate income persons. The Organization previously operated a 130-unit affordable housing complex, Poco Way Apartments, which was sold on February 20, 2015 to an affiliate, McCreerty Avenue LP.

In September 2017, Poco Way HDC, Inc. acquired land in Palo Alto, California, from a third-party, which is currently operating under the name of Buena Vista Mobile Home Park (Buena Vista). Buena Vista includes 104 occupied mobile homes spaces, 12 studio units, and one single-family home, of which eight mobile home spaces and two studios are located on land leased from a third-party.

Poco Way HDC, Inc. is a blended component unit of the Authority because the three-member governing board is comprised of the Executive Director of the Authority and two Authority staff. The Authority is legally obligated to finance deficits of Poco Way HDC, Inc. and has operational and financial responsibility.

Rotary Plaza/HACSC HDC, Inc. - A California non-profit corporation established in May 1991. Its purpose is to provide affordable housing for economically and otherwise disadvantaged persons. In April 2013, Rotary Plaza/HACSC HDC, Inc. acquired Morrone Gardens, a 102-unit apartment complex located in San Jose, California from Morrone Gardens Associates; a California limited partnership, of which Rotary Plaza/HACSC HDC, Inc. was the general partner. Rotary Plaza was the general partner of Huff Avenue Associates, which owned a 73-unit affordable housing complex located in San Jose, California, operating under the name of Huff Gardens Apartments. On December 11, 2015, Huff Gardens was transferred to Huff Avenue LLC, of which Rotary Plaza/HACSC HDC, Inc. is the sole member. Rotary Plaza/HACSC HDC, Inc. is a blended component unit of the Authority because the three-member governing board is comprised of the Executive Director of the Authority and two Authority staff. The Authority is legally obligated to finance deficits of Poco Way HDC, Inc. and has operational and financial responsibility

San Pedro Gardens Associates, Ltd. - A California limited partnership formed in August 1990 to develop and operate a 20-unit affordable housing complex located in Morgan Hill, California, operating under the name of San Pedro Gardens. S.P.G. Housing, Inc., an Authority affiliated non-profit general partner, hold 1% ownership and the Authority holds 99% ownership. The Authority, as the majority owner can impose its will on the entity. As a result, San Pedro Gardens Associates is presented as a blended component unit.

S.P.G. Housing, Inc. - A California non-profit corporation established in March 1992 serves as a general partner in two limited partnerships (San Pedro Gardens Associates, Ltd. and Klamath Associates). It previously served as the limited partner for Bracher Associates and Pinmore Associates. However, the properties associated with these partnerships were sold to South Drive LLC and Branham Lane LLC. South Drive LLC, the owner of Bracher Garden Apartments, and Branham Lane LLC, the owner of Pinmore Garden Apartments, are both wholly owned by S.P.G. Housing, Inc. In addition, S.P.G. Housing Inc. wholly owns Halford LLC and Poinciana LLC, two former public housing properties it acquired in 2015.

In 2005, S.P.G. Housing, Inc. acquired DeRose Senior Housing, a 76-unit housing complex for the elderly located in San Jose, California from DeRose Housing Associates, a California limited partnership. The Authority's Board appoints its three-member governing board and may remove any of these members with or without cause. S.P.G. Housing, Inc. is a blended component unit of the Authority because the three-member governing board is comprised of the Executive Director of the Authority and two Authority staff, the Authority is legally obligated to provide guarantees on behalf of its partnership and has operational and financial responsibility.

Villa Garcia, Inc. ("VGI") - A California non-profit corporation established in December 1970 to manage Villa Garcia Apartments, an 80-unit apartment project subject to U.S. Housing and Urban Development ("HUD") regulations. VGI is the managing general partner of Clarendon Street, L.P. ("Clarendon"), a

California limited partnership, which was formed on June 28, 2012, to acquire, rehabilitate, and operate the Villa Garcia Apartments. In November 2012, Clarendon acquired the apartments from VGI. On December 4, 2017, Alvarado Park L.P. and Bellarmino Place L.P. were formed with VGI as the General Partner with 0.01% ownership interest, to develop and operate affordable housing complexes located in San Jose, California. VGI is a blended component unit of the Authority because the three-member governing board is comprised of the Executive Director of the Authority and two Authority staff, the Authority is legally obligated to provide guarantees on behalf of its partnership and has operational and financial responsibility.

Villa San Pedro HDC, Inc. ("VSP") - A non-profit corporation established in March 1990 to provide low-income families with housing facilities and services. VSP is the managing general partner of Bendorf Drive, L.P. ("Bendorf"), a California limited partnership, which was formed on February 7, 2013, to acquire, rehabilitate, and operate the Villa San Pedro Apartments. VSP is a blended component unit of the Authority because the three-member governing board is comprised of the Executive Director of the Authority and two Authority staff, the Authority is legally obligated to provide guarantees on behalf of its partnership and has operational and financial responsibility.

For all of the above blended component units, refer to Note 16 for blended CUs' condensed financial statements and Note 17 for detailed debt and other information.

Discretely presented component units

The Authority's discretely presented component units (DCUs) are reported in a separate column within the government-wide financial statements and have a December 31, 2021 year-end.

The Authority's tax credit partnerships do not have board representation. The Authority's affiliated non-profit entities serve as the general partner which holds 1% or less ownership for these partnerships and the unaffiliated limited partners hold 99% or more ownership. Thus, the Authority reported these partnerships as DCUs as the Authority's affiliated non-profit entities do not hold a majority control of these entities.

In addition, there are six entities that are 100% owned by the Authority's affiliated non-profit entities while the Authority does not bear any financial responsibility for these entities' debts. The financial activities of these entities, including Branham Lane LLC, Halford LLC, Hermocilla LLC, Huff Avenue LLC, Poinciana LLC, and South Drive LLC, are presented as DCUs in the financial statements.

Refer to Note 17 for detailed debt and other information on the Authority's discretely presented component units.

Note 2 - Summary of significant accounting policies

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows) report information of the primary government and its component units. The effect of inter-fund activity has been removed from these statements. The primary government is reported separately from certain legally separate discretely presented component units for which the primary government is financially accountable.

For financial reporting purposes, the Authority reports all of its operations as a single business-type activity in a single enterprise fund. Therefore, the government-wide and fund financial statements are the same. Separate financial schedules are provided for the Authority's individual programs and included in the other supplementary information section of this report. These basic financial statements are presented in accordance with the Governmental Accounting Standards Board (GASB) standards.

Measurement focus, basis of accounting and financial statement presentation

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are HUD housing assistance payments earned, HUD administrative fees and rental income from its public housing units.

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

For financial reporting purposes, the Authority considers its HUD grants and contracts associated with operations as operating revenues because these funds more closely represent revenues generated from operating activities rather than non-operating activities. HUD grants associated with capital acquisition and improvements are considered capital contributions and are presented after non-operating activity on the accompanying statement of revenues, expenses and changes in net position.

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

Deferred outflows of resources and deferred 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 element, deferred outflows of resources, represents a consumption of net asset that applies to a future period and so will not be recognized as an expense until then.

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

Summary of significant programs

The accompanying basic financial statements include the activities of several housing programs subsidized by HUD and other governmental entities. A summary of each significant program is provided below:

<u>Section 8 Rental Voucher Program</u> is used to account for the operations of the low-income housing program which is funded by HUD under the annual contributions contract numbers CA-056VO and CA-059VO for approximately 19,510 units.

<u>Moving to Work ("MTW") Program</u> includes the Authority's demonstration program operations to design and test innovative approaches in assisted housing. The purpose of the Authority's demonstration program is to provide incentives to families to become economically self-sufficient, to reduce the Authority's costs and achieve greater cost effectiveness, and to increase housing choice for low-income families.

The accompanying basic financial statements also include the activities of other local programs. A summary of each significant program is provided below:

Real Estate Services Program is responsible for managing Property Management contracts which includes, operations related to Property Management and Maintenance Services, Resident Services, and Program Compliance Monitoring Services. It is also responsible for Asset Management activities. The asset management unit oversees approximately 2,925 low-income residential housing units, which includes occupied mobile home spaces that are owned by the Authority and its affiliate entities. Additionally, it manages, monitors and reports on all financial activity, which includes bonds, loans, promissory notes, and partners' interest. The Real Estate Services revenues are mostly derived from the fees earned from these activities.

Development Services Program is used to account for the operations of development activities related to the development and construction of new housing properties through various different financial arrangements including tax credit, tax revenue bonds, and local soft funding. The program also accounts for the major rehabilitation of existing low-income housing units/projects. It earns development fees and certain specialized revenues.

Cash and cash equivalents

The Authority considers all highly-liquid investments (including restricted cash and investments) with maturities of three months or less when purchased to be cash equivalents. This includes non-negotiable certificates of deposit with financial institutions and deposits with the State of California Local Agency Investment Fund ("LAIF").

Restricted cash, cash equivalents and investments

Restricted cash, cash equivalents and investments represent deposits that are used as collateral for loans made by a bank, used for replacement reserve and impound accounts, insurance reserves, security deposits, and residual receipts accounts.

All investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Receivables

Receivables consist of revenues earned during the fiscal year and not yet received. Amounts due from HUD and other governments represent reimbursable expenses, contract revenues or grant subsidies earned that have not been collected as of year-end; these amounts are considered fully collectible.

Capital assets

The Authority defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Land, structures and equipment are recorded at cost. Depreciation has been provided over estimated useful lives of the assets using the straight-line method.

The estimated useful lives are as follows:

Buildings	27.5 - 40 years
Site improvements and modernization	10 - 40 years
Dwelling and non-dwelling equipment	3 - 5 years
Vehicles	5 years
Computer hardware and software	3 - 5 years

Impairment of capital assets

The Authority reviews its capital assets for impairment whenever events or changes in circumstances indicate that there has been a decline in service utility that is large in magnitude and outside of the normal life cycle of the capital asset being evaluated. As of June 30, 2022, there has been no impairment of the capital assets.

Investments in partnerships

Certain blended component units have investments in limited partnerships and account for their investments under the equity method of accounting. Investee partnerships are included as discretely presented component units.

Pension plan

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

Other postemployment benefit (OPEB) plan

For purposes of measuring the net OPEB asset/liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's OPEB plan and additions to/deduction from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the California Employers' Retiree Benefit Trust Fund Program ("CERBT"). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. OPEB plan investments are reported at fair value.

Unearned revenue

Unearned revenue is recorded for transactions for which revenue has not yet been earned. At June 30, 2022, the unearned revenue was comprised of grants and lease payments received in advance that have not been earned.

Compensated absences

Employees of the Authority are entitled to paid vacation, depending on job classification, length of service and other factors. Additionally, employees may accumulate unused sick leave benefits based on length of service. The estimated liability for vested leave benefits is recorded as an expense when earned and the cumulative unpaid amount is reported as a liability.

Permanent loan costs

Costs incurred in order to obtain permanent financing are stated at cost and amortized on a straight-line basis into interest expense over the term of the loan. Permanent loan costs are reported as a direct deduction from the face amount of the related debt.

Family Self Sufficiency (FSS) Escrow Account

The FSS escrow account is an interest-bearing bank account reported as part of restricted cash and cash equivalents and established by the Authority for participating families in the FSS Program. A monthly deposit (or deduction) is made by the Authority for each participating family during the term of their FSS contract, based on increases (or decreases) in earned income of the family. The Authority may make a portion of the escrow account balance available to the family, during the term of the contract, to enable the family to complete an interim goal such as education.

If the family completes the contract term and no member of the family is receiving subsidy, the full amount of the escrow account balance will be paid to the head of household of the family. However, if the family fails to comply with the FSS contract rules, the family's escrow account may be forfeited.

Eliminations

Inter-program due from/due to and transfers - In the normal course of operations, certain programs may pay for common costs or advance funds for operational shortfalls that create inter-program receivables or payables. The inter-program receivables and payables net to zero and are eliminated for presentation of the Authority's government-wide financial statements. For the year ended June 30, 2022, offsetting amounts of $2,607,527 were eliminated. The Authority also eliminated $70,997,045 related to other material intercompany balances between and within programs from the consolidated financial statements. Furthermore, inter-program transfers of $412,142,248 were eliminated.

Internal charges - The Authority internally charges its costs of support service, indirect costs allocations interest payments, and rent provided by one department to other Authority departments on a cost-reimbursement basis. For financial reporting purposes, $10,441,522 of internal charges for services and rent and $3,171,721 of prepaid rent payments has been eliminated for the year ended June 30, 2022.

Cumulative gains from related party sales - The Authority may acquire or sell capital assets from other commonly controlled affiliates. Generally accepted accounting principles required that the buyer record the transaction based on the seller's carrying value of the assets at the time of acquisition. The cumulative amount of the excess of the purchase price over the carrying value of the property acquired by the discretely presented component units totaling $20,499,638 is eliminated for presentation of the Authority's government-wide financial statements.

Net position

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

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

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

Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management of the Authority to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New accounting pronouncements

During the year ended June 30, 2022, the Authority implemented the following GASB Statements:

- In January 2017, the GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of this statement did not have any impact on the Authority's financial statements for the fiscal year ended June 30, 2022, as the Authority has determined that the related balances were not material.
- In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this statement are 1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and 2) to simplify accounting for interest cost incurred before the end of a construction period. Implementation of this statement did not have any impact on the Authority's financial statements for the fiscal year ended June 30, 2022.
- In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. Implementation of this statement did not have any impact on the Authority's financial statements for the fiscal year ended June 30, 2022.
- In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. Implementation of this statement did not have any impact on the Authority's financial statements for the fiscal year ended June 30, 2022.
- In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other

employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. Implementation of this statement did not have any impact on the Authority's financial statements for the fiscal year ended June 30, 2022.

- In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (a) practice issues that been identified during implementation and application of certain GASB Statements and (b) accounting and financial reporting for financial guarantees. The requirements related to the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statements No. 53 and No. 63 are effective upon issuance. Implementation of these requirements did not have any impact on the Authority's financial statements for the fiscal year ended June 30, 2022.

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

- In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosure. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2023.
- In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2023.
- In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2023.
- In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The requirements related to leases, public-private partnerships (PPPs), and SBITAs are effective for the Authority's fiscal year ending June 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for the Authority's fiscal year ending June 30, 2024.
- In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2024.

- In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2025.

Note 3 – Cash, cash equivalents and investments

Cash, cash equivalents and investments are presented on the accompanying statements of net position as of June 30, 2022, for the primary government and as of the various fiscal year ends of the individual presented component units are as follows:

	Primary Government	Discretely Presented Component Units	Total
Unrestricted cash and cash equivalents	$ 41,435,666	$ 18,146,079	$ 59,581,745
Unrestricted short term investments	20,203,643	-	20,203,643
Restricted cash and cash equivalents	28,030,263	25,309,900	53,340,163
Restricted short term investments	752,531	-	752,531
Long term investments	22,979,978	-	22,979,978
Restricted long term investments	2,221,176	-	2,221,176
Total	$ 115,623,257	$ 43,455,979	$ 159,079,236
Deposits with financial institutions	$ 69,465,929	$ 43,455,979	$ 112,921,908
Investments	46,157,328	-	46,157,328
Total	$ 115,623,257	$ 43,455,979	$ 159,079,236

<u>Custodial credit risk – deposits</u>

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits.

The Authority entered into collateralization agreements with the custodian of its deposits pursuant to the California Government Code which requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

<u>Investments authorized by the Authority</u>

The Authority is empowered by the HUD Notice 96-33 (extended indefinitely by HUD Notice PIH 2002-13) to invest HUD funds in the following:

A. United States Treasury bills, notes and bonds.
B. Obligations issued by Agencies or Instrumentalities of the U.S. Government.
C. State or Municipal Depository Funds, such as the Local Agency Investment Fund ("LAIF").

D. Insured Demand and Savings Deposits, provided that deposits in excess of the insured amount must be 100% collateralized by securities listed in A and B above.

E. Insured Money Market Deposit Accounts, provided that deposits in excess of the insured amount must be 100% collateralized by securities listed in A and B above.

F. Insured Super NOW accounts, provided that deposits in excess of the insured amount must be 100% collateralized by securities listed in A and B above.

G. Repurchase Agreements of any securities authorized above. Securities purchased under repurchase agreements shall be no less than 102% of market value.

H. Reverse Repurchase Agreements of any U.S. Treasury and Federal Agency securities in the portfolio. Securities purchased under reverse repurchase agreements shall be for temporary and unanticipated cash flow needs only.

I. Sweep accounts that are 100% collateralized by securities listed in A and B above.

J. Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized above (money market mutual funds). Such funds must carry the highest rating of at least two national rating agencies. Not more than 15% or 20% of surplus funds can be invested in Money Market Mutual Funds.

K. Funds held under the terms of a Trust Indenture or other contract or agreement, including the HUD/Public Housing Agency Annual Contributions Contract, may be invested according to the provisions of those indentures or contracts.

L. Any other investment security authorized under the provisions of HUD Notice 96-33, as extended by HUD Notice PIH 2002-13.

The Authority is empowered by the California Government Code Sections 5922 and 53601 et seq. and its Investment Policy to invest non-HUD funds in the following:

A. Bonds issued by local government agencies with a maximum maturity of five years.

B. United States Treasury Bills, Notes and Bonds.

C. Registered warrants, treasury notes or bonds issued by the State of California.

D. Bonds, notes, warrants or other evidence of debt issue by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurer, other local agencies or joint power agencies.

E. Obligations issued by Agencies or instrumentalities of the U.S. Government.

F. Bankers Acceptances with a term not to exceed 270 days. Not more than 40% of surplus funds can be invested in Bankers' Acceptances and no more than 30% of surplus funds can be invested in the Bankers' Acceptances of any single commercial bank.

G. Prime Commercial Paper with a term not to exceed 180 days and the highest ranking issued by Moody's Investors Service ("Moody's") or Standard & Poor's Corporation ("S&P"). Commercial Paper cannot exceed 15% of total surplus funds, provided that if the average maturity of all Commercial Paper does not exceed 31 days, up to 30% of surplus funds can be invested in Commercial Paper.

H. Repurchase Agreements of any securities authorized by this section. Securities purchased under repurchase agreements shall be no less than 102% of market value.

I. Reverse Repurchase Agreements of any U.S. Treasury and Federal Agency Securities in the portfolio. Securities purchased under reverse repurchase agreements shall be for temporary and unanticipated cash flow needs only.

J. Medium term notes (not to exceed five years) of U.S. Corporations rated "A" or better by Moody's or S&P. Not more than 30% of surplus funds can be invested in medium term notes.

K. Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this section ("Money Market Mutual Funds"). Such funds must carry the highest rating of at least two national rating agencies. Not more than 15% of surplus funds can be invested in Money Market Mutual Funds.
L. Funds held under the terms of a Trust Indenture or other contract or agreement may be invested according to the provisions of those indentures or agreements.
M. Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code ("UCC") or applicable federal security regulations.
N. Any mortgage pass-through security, collateralized mortgage obligation, mortgaged backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable backed bond of a maximum maturity of five years. Securities in this category must be rated AA or better by a national rating service. No more than 30% of surplus funds can be invested in this category of securities.
O. Any other investment security authorized under the provisions of the California Government Code section 5922 and 53601.

For the Authority's investment in California Employers' Pension Prefunding Trust (CEPPT), the Authority has applied the investment guidelines and policy of the CalPERS for the CEPPT which authorized the investments in global equities, fixed income, treasury inflation-protected securities, real estate investment trusts, and liquidity assets.

Interest rate and credit risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Credit ratings of securities other than LAIF are presented based on Moody's Credit Rating.

The Authority is a participant in LAIF that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State statute. LAIF does not have a rating provided by a nationally recognized statistical rating organization. The Authority reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are U.S. Treasuries, federal agency obligations, time deposits, negotiable certificates of deposits, commercial paper, corporate bonds, and security loans. LAIF's weighted average to maturity is 311 days. More information on LAIF investment pool can be found at http://www.treasurer.ca.gov/pmia-laif/laif/.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investor's holdings in a single issuer. The Authority diversifies its portfolio by limiting the percentage of the portfolio that can be invested in any one issuer's name. Investments in U.S. Treasuries, U.S. Agency securities explicitly backed by the U.S., and mutual and pooled funds are not subject to this limitation.

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

A summary of the Authority's investments at June 30, 2022 is shown below:

Investment	Rating	June 30, 2022	Less than 1	1-3	3-5
Money Market Mutual Fund	Not rated	$ 527,320	$ 527,320	$ -	$ -
State Local Agency Investment Fund	Not rated	19,933,077	19,933,077	-	-
California Employers' Pension Prefunding Trust	Not rated	2,221,176	-	2,221,176	-
Negotiable Certificates of Deposits	Not rated	2,814,966	495,777	1,850,834	468,355
U.S. Federal Agencies Securities:					
Federal Home Loan Bank	Aaa	1,420,351	-	-	1,420,351
Corporate Bonds:					
Apple Inc	Aaa	942,740	-	-	942,740
Astrazeneca Finance	A3	905,750	-	-	905,750
Bank New York Mellon Corp	A1	694,267	-	-	694,267
Bank Of America Corp Serv N Mtn	A2	650,745	-	-	650,745
BP Cap Mkts Amer Inc Ser B	A2	769,019	-	-	769,019
Bristol-Myers Squibb Co	A2	345,447	-	-	345,447
Citigroup Inc	A3	725,310	-	-	725,310
Citigroup Inc Ser G Mtc	A3	278,256	-	-	278,256
Credit Suisse Ag	A1	875,250	-	-	875,250
Deere John Capital Corp	A2	721,989	-	-	721,989
Deutsche Bank Ag	A2	448,885	-	-	448,885
Exxon Mobil Corp	Aa2	981,910	-	-	981,910
Fifth Third Bank	A3	489,320	-	-	489,320
Goldman Sachs Group Inc	A2	490,675	-	-	490,675
Goldman Sachs Group Inc Mtn	A2	261,486	-	-	261,486
Huntington Natl Bk Columbus	A3	385,078	-	-	385,078
JPMorgan Chase & Co	A2	864,930	-	-	864,930
JPMorgan Chase & Co	A2	965,980	-	-	965,980
Microsoft Corp	Aaa	255,773	-	-	255,773
Microsoft Corp	Aaa	235,000	-	-	235,000
Morgan Stanley Ser F Mtn	A1	716,348	-	-	716,348
Paypal Hldgs Inc	A3	451,017	-	-	451,017
Phillips 66	A3	900,440	-	-	900,440
PNC Financial Svcs Group Inc	A3	947,840	-	-	947,840
Public Storage	A2	452,700	-	-	452,700
Public Service Elec & Gas Co	A1	929,877	-	-	929,877
Societe Generale Mtn	A1	510,940	-	-	510,940
SVB Financial Group	A3	447,175	-	-	447,175
Toyota Motor Cr Corp	A1	881,654	-	-	881,654
Wells Fargo & Co	A1	714,638	-	-	714,638
Subtotal Corporate Bonds		19,240,439	-	-	19,240,439
Total investments		**$ 46,157,328**	**$ 20,956,174**	**$ 4,072,010**	**$ 21,129,144**

The Authority categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs include inputs that are directly observable for the investment (including quoted price for similar investments) and inputs that are not directly observable but are derived from observable market data through correlation; and Level 3 inputs are significant unobservable inputs.

A summary of the Authority's hierarchy of inputs of its investments at June 30, 2022 is shown below:

Type of Investment	
Investment by fair value hierarchy - Level 1:	
Corporate Bonds	$ 19,240,439
Investment by fair value hierarchy - Level 2:	
U.S. Federal Agency Securities	1,420,351
Negotiable Certificate of Deposits	2,814,966
Total investments by fair value hierarchy	4,235,317
Investment not subject to fair value hierarchy:	
Money Market Mutual Funds	527,320
State Local Agency Investment Fund	19,933,077
California Employers' Pension Prefunding Trust	2,221,176
Subtotal investment not subject to fair value hierarchy	22,681,573
Total investments	**$ 46,157,328**

Note 4 – Long-term receivables with non-related parties

In January 2013, the Authority entered into an Amended and Restated Promissory Note (Note) with the Ford Road Family Housing, L.P., a California limited partnership in the amount of $5,760,000. The principal due under this Note will bear simple interest at the rate of zero percent per year and the Note matures on the earliest of the occurrence of an event of default; or fifty-five years from the Commencement Date of the Affordability Covenants. Payments on the Note are due and payable annually on July 1 and the annual payment is equal to the Authority's Proportionate Share of Net Cash Flow, as defined in the agreements. As of June 30, 2022, the amount due to the Authority is $5,607,359.

In September 2021, Poco Way HDC, Inc. entered into 3 Secured Promissory Tenant Notes totaling $262,994. No interest shall accrue on the principal balance of these notes except upon the occurrence of an event of default. The entire outstanding principal balance of these notes shall be payable in full on the date which is the date that the property or any interest therein is sold, assigned, transferred, conveyed, or encumbered, or the property is moved out. As of June 30, 2022, the amount due to the Authority is $262,994.

Note 5 - Disposition of public housing properties

As of June 30, 2022, the Authority has one remaining public housing project known as Deborah Drive (CA059016) with a total of 4 rental units managed under HUD's Public Housing rules and regulations. The Authority is waiting for the final confirmation from HUD in order to dispose of these remaining public housing project.

Note 6 - Capital assets

The primary government's capital assets activity for the year ended June 30, 2022 was as follows:

	July 1, 2021	Additions	Reductions/ Transfers	June 30, 2022
Capital assets, not being depreciated:				
Land	$ 144,820,252	$ 15,000	$ (1,890,000)	$ 142,945,252
Construction in progress	9,497,178	6,086,266	(2,785,478)	12,797,966
Total capital assets, not being depreciated	154,317,430	6,101,266	(4,675,478)	155,743,218
Capital assets, being depreciated:				
Structures	149,652,922	943,179	(241,519)	150,354,582
Furniture and equipment	9,422,131	1,878,814	(597,069)	10,703,876
Total capital assets, being depreciated	159,075,053	2,821,993	(838,588)	161,058,458
Less accumulated depreciation				
Structures	(75,886,795)	(4,338,766)	68,941	(80,156,620)
Furniture and equipment	(6,590,159)	(1,271,736)	42,002	(7,819,893)
Total accumulated depreciation	(82,476,954)	(5,610,502)	110,943	(87,976,513)
Total capital assets, being depreciated, net	76,598,099	(2,788,509)	(727,645)	73,081,945
Total capital assets, net	$ 230,915,529	$ 3,312,757	$ (5,403,123)	$ 228,825,163

The primary government reported depreciation expense in the amount of $5,610,502 for the year ended June 30, 2022.

The discretely presented component units' capital assets activity for the year ended December 31, 2021 is as follows:

	January 1, 2021	Additions	Reductions/ Transfers	December 31, 2021
Capital assets, not being depreciated:				
Land	$ 21,607,719	$ -	$ -	$ 21,607,719
Construction in progress	213,131	113,598	(1,502)	325,227
Total capital assets, not being depreciated	21,820,850	113,598	(1,502)	21,932,946
Capital assets, being depreciated:				
Structures	445,562,327	2,135,317	(431,410)	447,266,234
Furniture and equipment	7,086,913	579,624	(662,985)	7,003,552
Total capital assets, being depreciated	452,649,240	2,714,941	(1,094,395)	454,269,786
Less accumulated depreciation	(101,957,850)	(13,543,405)	872,879	(114,628,376)
Total capital assets, being depreciated, net	350,691,390	(10,828,464)	(221,516)	339,641,410
Total capital assets, net	$ 372,512,240	$ (10,714,866)	$ (223,018)	$ 361,574,356

The discretely presented component units reported depreciation expense in the amount of $13,543,405 for the year ended December 31, 2021.

Note 7 - Long-term obligations

Outstanding long-term debt consisted of the following at June 30, 2022:

Type of Indebtedness (purpose)	Maturity	Interest Rate	Principal Installment	Original Issue Amount	Balance as of June 30, 2022
Section 8 Choice Voucher Program					
Notes Payable					
City of San Jose	9/23/2024	4%	$ 972,500	$ 972,500	$ 972,500
Blended Component Units (detailed information in Note 17)					91,390,942
Total primary government					$ 92,363,442

Changes to the primary government's long-term obligations are as follows:

	July 1, 2021	Additions	Retirements	June 30, 2022	Due within one year
Section 8 Rental Voucher Program					
Note Payable to the City of San Jose	$ 972,500	$ -	$ -	$ 972,500	$ 20,000
Blended Component Units					
A.E. Associates	4,402,640	-	24,818	4,377,822	-
Bascom HACSC Associates	11,899,530	-	7,094,530	4,805,000	120,000
Blossom River Associates	10,267,884	-	256,367	10,011,517	285,000
HACSC/Choices Family Associates	14,775,564	-	183,511	14,592,053	235,338
HACSC/Choices Senior Associates	10,473,458	-	111,183	10,362,275	130,000
Helzer Associates	13,647,384	-	275,317	13,372,067	320,000
Klamath Associates	983,926	-	39,262	944,664	43,402
Poco Way HDC, Inc	14,500,000	14,500,000	-	29,000,000	-
Rotary Plaza/Hacsc HDC Inc	884,371	-	187,312	697,059	202,575
San Pedro Gardens Associates	1,523,954	-	16,282	1,507,672	18,146
S.P.G. Housing Inc.	1,779,961	-	59,148	1,720,813	1,461,503
Total blended component units	85,138,672	14,500,000	8,247,730	91,390,942	2,815,964
Interest Payable					
Other programs	670,859	38,900	20,000	689,759	-
Blended component units	9,480,592	3,248,274	4,375,304	8,353,562	955,567
Total interest payable	10,151,451	3,287,174	4,395,304	9,043,321	955,567
Accrued Vacation and Sick Leave	2,100,560	113,424	3,172	2,210,812	300,036
Total Primary Government	$ 98,363,183	$ 17,900,598	$ 12,646,206	$ 103,617,575	$ 4,091,567

The annual debt service requirements for the primary government's note payable to maturity are as follows:

	Principal	Interest
Year Ending June 30,		
2023	$ 20,000	$ 38,900
2024	-	38,900
2025	952,500	8,969
	$ 972,500	$ 86,769

The blended component units' long-term debt service is payable from excess distributable cash that are generally subject to changes in net cash flows. See additional information on the debt in Note 17.

Note 8 - Deficit net position

The following blended component units have a deficit net position as of December 31, 2021:

A.E. Associates, LP	$ (3,843,455)
Alvarado Park, LP	(1,616)
Avenida Espana HDC, Inc.	(2,778,427)
Bellarmino Place, LP	(345)
Blossom River Associates, LP	(6,292,297)
Bracher HDC. INC.	(1,156,309)
DeRose HDC, Inc.	(1,707,296)
HACSC/Choices Senior Associates	(1,381,088)
Helzer Associates, LP	(5,130,240)
Klamath Associates LP	(376,354)
Pinmore HDC, Inc.	(2,780,752)
San Pedro Gardens Associates, Ltd.	(1,651,505)

These entities are the non-profit entities or limited partnerships that were created by the Authority to own and operate low-income residential properties in the County of Santa Clara. The net deficit of these entities are mainly from cumulative operating losses, including depreciation expense on the properties. However, based on the Authority's prior experience, these deficit balances are likely to be recovered from the sale or transfer of the low-income property at fair market value. The remaining deficits can be funded by the Authority's MTW funds under its MTW plan non-traditional activity 2012-4 (Create Affordable Housing Preservation Fund).

Note 9 - Related parties

The Authority has the following receivables from related parties and other component units as of June 30, 2022:

		Long-term Receivables						
Receivables due from Blended Component Units	**Short-term receivables**	**Notes Receivables**	**Lease/ Mortgage Receivables**	**Interest on Receivables**	**Development and Other Services**	**Subtotal**	**Elimination**	**Total**
AE Associates Ltd	$ 57,782	$ 2,998	$ 10,000	$ -	$ 11,930	$ 24,928	$ (72,676)	$ 10,034
Alvarado Park, L.P.	-	2,470,000	-	158,659	-	2,628,659	(2,094,955)	533,704
Avenida Espana HDC, Inc	-	-	-	-	12,652,152	12,652,152	(12,652,152)	-
Bascom HACSC Assoc, L.P.	16,240	8,454,009	-	90,343	3,750	8,548,102	(8,564,311)	31
Bellarmino Place, L.P.	-	4,015,865	-	256,461	-	4,272,326	(4,212,583)	59,743
Blossom River Assoc. L.P.	21,065	9,137,828	-	92,139	-	9,229,967	(9,246,459)	4,573
HACSC Family	31,309	-	-	-	11,794	11,794	(42,957)	146
HACSC Senior	805	-	-	-	98,806	98,806	(90,549)	9,061
Hawthorn Senior L.P.	-	500,000	-	-	-	500,000	(500,000)	-
Helzer Associates	23,048	8,677,516	-	89,557	-	8,767,073	(8,780,797)	9,324
Klamath Associates L.P.	7,727	350,000	-	6,869	129,736	486,605	(490,931)	3,401
Poco Way HDC, Inc	383	18,962,077	-	6,475	-	18,968,552	(18,467,134)	501,801
Rotary Plaza/HACSC HDC, Inc	4,024	2,840,665	10,000	29,667	-	2,880,333	(2,881,452)	2,905
San Pedro Garden Associates	3,333	689,914	4,999	5,724	-	700,637	(358,980)	344,991
SPG Housing, Inc	2,026	-	1,831,037	21,264	-	1,852,301	(1,470,171)	384,156
Villa San Pedro HDC, Inc.	-	1,051,888	-	31,103	-	1,082,991	(1,070,938)	12,053
Total	**$ 167,741**	**$ 57,152,760**	**$ 1,856,037**	**$ 788,262**	**$ 12,908,168**	**$ 72,705,225**	**$ (70,997,045)**	**$ 1,875,921**

(Continued)

Receivables due from Discretely Presented Component Units	Short-term receivables	Long-term Receivables: Notes Receivables	Seller Take-Back Note	Interest on Receivables	Development and Other Services	Subtotal	Total
Bendorf Drive LP	$ 1,829	$ 1,804,808	$ 9,277,939	$ 2,851,355	$ 70,347	$ 14,004,449	$ 14,006,278
Branham Lane LLC	29,595	2,591,456	-	197,831	-	2,789,287	2,818,882
Clarendon Street, LP	465,895	809,712	5,482,879	10,184	-	6,302,775	6,768,670
Fairgrounds Luxuary Family Apartments L.P.	15,658	-	-	-	-	-	15,658
Fairgrounds Senior Housing L.P.	15,029	-	-	-	-	-	15,029
Halford Avenue LLC	82,191	-	1,965,721	-	-	1,965,721	2,047,912
Hermocilla LLC	10,990	-	-	-	-	-	10,990
Huff Avenue LLC	18,179	-	-	-	-	-	18,179
Julian Street Partners L.P,	179,097	-	20,588,845	1,612,326	-	22,201,171	22,380,268
Laurel Grove Lane, LP	1,810	5,823,982	2,557,609	1,105,754	97,274	9,584,619	9,586,429
McCreery Avenue LP	132,353	600,000	10,346,647	1,185,305	-	12,131,952	12,264,305
Park Avenue Senior LP	1,756	14,328,987	6,000,000	2,501,052	-	22,830,039	22,831,795
Poinciana Drive LLC	137,372	-	740,111	-	-	740,111	877,483
Rincon Garden Associates LP	153,108	-	14,779,785	1,240,645	-	16,020,430	16,173,538
South Drive LLC	10,000	-	-	-	-	-	10,000
Willows/HACSC Associates	70,157	-	-	-	154,741	154,741	224,898
Total	**$ 1,325,019**	**$ 25,958,945**	**$ 71,739,535**	**$ 10,704,453**	**$ 322,362**	**$ 108,725,295**	**$ 110,050,314**

Total receivables due from blended component units (from previous page)	**1,875,921**
	$ 111,926,235
Due from component units and related parties, current portion	**$ 1,341,774**
Due from component units and related parties, net of current portion	**110,584,461**
	$ 111,926,235

Short-term receivables and other advances

The Authority earns fees for providing partnership management and other services. Outstanding fees are paid in future years from available cash flow of affiliate entities.

Notes receivable

The notes receivable executed between the Authority and the affiliates are approved by the Authority's Board. Significant notes receivables between the Authority and its discretely presented component units are noted below:

Bendorf Drive L.P. - In December 2013, the Authority loaned Bendorf Drive L.P. $800,000 to pay the pre-existing HUD financing in connection with its acquisition of the Villa San Pedro Apartment complex. The note bears interest at 3.32% compounded annually, matures on December 31, 2069 and is payable from excess/distributable cash. As of June 30, 2022, the balance on the note is $800,000. Additionally, in October 1, 2015, Bendorf obtained a loan from the Authority for $1,155,058. The note bears interest at 2.64% compounded annually, payable from excess/distributable cash, with the entire principal and interest due in full in December 2070. As of June 30, 2022, the balance on the note is $1,004,808.

Branham Lane LLC - In June 2018, the Authority loaned Branham Lane LLC $2,591,456 to refinance its loan with the City of San Jose loan. The loan bears 2% simple interest, with annual payments from excess/distributable cash, due in full by June 1, 2073. As of June 30, 2022, the balance on the note is $2,591,456.

Clarendon Street L.P. - The Authority loaned its affiliated partnership, Clarendon Street, L.P., an original amount of $1,275,397. This loan bears interest at 2.40%, compounded annually, matures on December 31, 2068, and is payable from excess/distributable cash. The balance as of June 30, 2022 is $809,712.

Laurel Grove Lane, L.P. - In June 2016, the Authority loaned its affiliate Laurel Grove Lane, L.P. $679,213. This loan bears interest at 5% compounding annually, is due and payable on the earlier of 55 years after the completion date or June 30, 2073. On September 1, 2018, the loan agreement was amended to increase the loan amount to $2,679,213. Then in January 2019, the amount was increased to $5,079,213, and the additional $2,400,000 amount bears no interest. The balance as of June 30, 2022 is $4,433,485. In addition, in June 2016, Laurel Grove Lane, L.P. obtained a loan from the Authority for $1,390,497. The loan bears simple interest at a rate of 5% per annum, is due and payable on the earlier of 55 years after the completion date or June 30, 2073. The balance as of June 30, 2022 is $1,390,497.

McCreery Avenue L.P. - On December 2019, the Authority loaned its affiliate McCreery Avenue L.P. $600,000 for capital repairs to Poco Way Apartments. This loan bears simple interest at the rate of the then published long-term applicable federal rate with annual payments from excess/ distributable cash. The balance as of June 30, 2022 is $600,000.

Park Avenue Seniors, L.P. - In November 2016, the Authority loaned its affiliate Park Avenue Seniors, L.P. $399,497. On November 1, 2018, the loan agreement was amended to increase the loan amount to $1,771,391. This loan bears simple interest at 4% per annum. The loan is due in full on the earlier of 55 years after the completion date or November 1, 2073. The balance as of June 30, 2022 is $1,771,391. In addition, in November 2016, Park Avenue Seniors, L.P. obtained a loan from the Authority for $5,060,044. On November 1, 2018, the loan agreement was amended to increase the amount to $13,003,611. The loan bears simple interest at 4% annum. The loan is due in full on the earlier of 55 years after the completion date or November 1, 2073. The balance as of June 30, 2022 is $12,557,596.

Furthermore, the Authority made loans to its blended component units. The amounts, which are included within the blended component units' December 31, 2021 financial statements, have been eliminated on the statement of net position against the related payables because these component units are reported with the primary government.

The notes receivables between the Authority and its blended component units are noted below:

AE Associates, Ltd. - In October 1994, The Authority provided an unsecured loan, in the original amount of $96,693, to the partnership. The balance as of June 30, 2022 was $2,998. The loan is non-interest bearing and is due October 2024.

Alvarado Park, LP - In December 2017, the Authority loaned Alvarado Park L.P. $970,000 to pay for pre-development costs associated with the affordable housing project for seniors located at Grand Avenue and Race Street in San Jose, California. On October 4, 2018, the loan agreement was amended to increase the loan amount to $6,000,000. On June 22, 2021, the loan agreement was amended to increase the loan amount to $22,910,000. The note bears simple interest at 3% annum and has a maturity date of November 30, 2092. As of June 30, 2022, the balance on the note is $2,470,000.

Bascom HACSC Associates - In May 2021, the Authority loaned Bascom HACSC Associates $7,964,740 to refinance its loan with the City of San Jose and loaned another $1,000,000 for Capital Repairs at El Parador Apartments. These notes bear simple interest at 2% annum, with annual payments from excess/distributable cash, and has a maturity date of December 31, 2076. As of June 30, 2022, the balance on the notes is $7,454,009 and $1,000,000, respectively.

Bellarmino Place LP - In December 2017, the Authority loaned Bellarmino Place L.P. $1,130,000 to pay for pre-development costs associated with the affordable housing project for families located at Grand Avenue and Race Street in San Jose, California. On October 4, 2018, the loan agreement was amended to increase the loan amount to $7,200,000. On June 22, 2021, the loan agreement was amended to increase the loan amount to $33,110,000. The note bears simple interest at 3% annum and has a maturity date of November 30, 2092. As of June 30, 2022, the balance on the note is $4,015,865.

Blossom River Associates LP - In June 2018, the Authority loaned Blossom River Associates LP $9,540,474 to refinance its loan with the City of San Jose loan. This note bears 2% interest, compounded annually with annual payments from excess/distributable cash, due in full by June 1, 2073. As of June 30, 2022, the balance on the loan is $9,137,828.

Hawthorn Senior Apartments LP – In August 5, 2021, Hawthorn obtained a development loan from the Authority for $17,790,000. This loan bears no interest, due in full on the earlier of August 5, 2026 or the construction closing. The balance as of June 30, 2022 is $500,000.

Helzer Associates LP - In June 2018, the Authority loaned Helzer Associates LP $8,753,500 to refinance its loan with the City of San Jose loan. This note bears 2% interest, compounded annually with annual payments from excess/distributable cash, due in full by June 1, 2073. As of June 30, 2022, the balance on the loan is $8,677,516.

Klamath Associates LP - In November 2020, the Authority loaned Klamath Associates LP $350,000 for the use of the property's expenditures. This note bears simple interest at the rate of the published long-term Applicable Federal Rate (interest), with annual payments from excess/distributable cash, due in full by July 1, 2081 or the sale or transfer of the property. As of June 30, 2022, the balance on the loan is $350,000.

Poco Way HDC, Inc. – On September 29, 2017, the Authority loaned its affiliate, Poco Way HDC, Inc., $26,000,000 to acquire the Buena Vista property. On May 21, 2021, $14,500,000 was returned to the Authority and can be subsequently reissued for predevelopment costs for Poco Way HDC, Inc. This loan bears 3% simple interest, payable from excess/distributable cash to be repaid in full by September 2092. Interest shall not begin to accrue until the earlier of (a) the date that major improvements to Buena Vista are complete or (b) September 29, 2027. As of June 30, 2022, the balance on the loan is $11,500,000. On September 1, 2018, the Authority issued a second loan of $2,000,000 to Poco Way HDC, Inc. to support pre-development costs associated with the development of affordable housing for the Buena Vista Property. On July 29, 2021, the loan agreement was amended to increase the loan amount to $19,925,000. The note bears 3% simple annual interest. The note is due and payable in one lump sum on the date that is the earliest of: (i) the date that major improvements to Buena Vista are complete or (ii) September 29, 2027. As of June 30, 2022, the balance on the second loan is $6,750,000. On December 19, 2019, the Authority issued a third loan to Poco Way HDC for Buena Vista Mobile Home Park's property expenses. The note bears simple interest at the rate of the then published long-term applicable federal rate and payable out of Net Cash Flow commencing July 1, 2020. As of June

30, 2022, the balance on the third loan is $150,000. On December 22, 2020, the Authority issued a fourth loan to Poco Way HDC in the amount of $575,000 for additional expenses incurred in connection with the acquisition of the Buena Vista Property. The note bears 3% simple interest and will be paid excess/distributable cash and shall be payable in full on September 29, 2075. Interest shall not begin to accrue until the earlier of (a) the date major improvements to the property are complete and both the City of Palo Alto and the California Department of Housing and Community Development have determined there are no material code violations at the property and (b) September 29, 2027. As of June 30, 2022, the balance on the fourth loan is $562,077.

Rotary Plaza/HACSC HDC, Inc. – In June 2018, the Authority loaned Rotary Plaza/ HACSC HDC, Inc. $3,265,770 to refinance its loan obligation with the City of San Jose loan. This loan bears 2% simple interest, with annual payments from excess/distributable cash, due in full by June 1, 2073. As of June 30, 2022, the balance on the loan is $2,480,665.

San Pedro Gardens Associates, Ltd. –The Authority provided an unsecured loan to the partnership in the original amount of $50,000. The loan is non-interest bearing and is due on demand. As of June 30, 2021, the balance on the loan is $10,000. In December 2019, the Authority provided a loan of $350,000 to San Pedro Gardens Associates, Ltd for the use of the property's expenditures. In March 2022, the Authority provided a loan of $350,000 to San Pedro Gardens Associates, Ltd for the use of the property's expenditures. These notes bear simple interest at the rate of the published long-term applicable federal rate, with annual payments from excess/distributable cash, due in full by July 1, 2080 or the sale or transfer of the property. As of June 30, 2022, the balance on the loan is $689,914.

Villa San Pedro HDC, Inc. – In March 2013, the Authority provided an unsecured loan to the Villa San Pedro HDC, Inc. $1,500,000 to pay for pre-development costs associated with the affordable housing project located at 282 Danze Drive, San Jose, California (Villa San Pedro Apartments). The note bears simple interest at the published Applicable Federal Rate and is due at the earlier of the sale or transfer of the property or March 2069. As of June 30, 2022, the balance on the note is $1,051,888.

Leases/mortgage receivable

Lease/Mortgage receivables are accrued lease payments incurred by land lease agreements between the Authority (Lessor) and several affiliated entities (Lessees), which are paid back to the extent of the entities' available operating cash flow surplus. The Authority made leases and mortgage loans receivables to its blended component units. The amounts have been eliminated on the statement of net position against the related payables because these component units are reported with the primary government. The lease/mortgage receivables between the Authority and its blended component units are noted below:

AE Associates, Ltd. - The Authority (Lessor) and the partnership (Lessee) have entered into a 65-year land lease agreement for the premises on which the 84 residential apartment units are built. The annual rent is $20,000 and is only payable to the extent of surplus cash. Any unpaid rent shall accrue without interest and is payable at the end of the lease term. As of June 30, 2022, the lease receivable balance is $10,000.

Rotary Plaza/HACSC HDC, Inc./Morrone Gardens Associates – The Authority (Lessor) and the partnership (Lessee) have entered into a 60-year land lease agreement. The annual rent is $20,000 and is payable to the extent of surplus cash, as defined. Any unpaid rent shall accrue interest at 7% compounded annually and is payable in subsequent years from surplus cash. As of June 30, 2022, the lease receivable is $10,000.

San Pedro Gardens Associates, Ltd. - The Authority (Lessor) and the partnership (Lessee) have entered into a 65-year land lease agreement for the premises on which 20 residential apartment units are built. The annual rent is $10,000 and is payable only to the extent of surplus cash, as defined. Any unpaid rent shall accrue interest at 8% compounded annually. As of June 30, 2022, the lease receivable is $4,999.

S.P.G. Housing, Inc. - S.P.G. Housing, Inc., subleases the land, on which a 76-unit affordable housing complex for the elderly was built, from the Authority. The sublease ends in 2028 and requires a monthly base payment of $5,500 to the lessor which is subject to annual increases and annual payment of $66,000 to the Authority which is payable from distributable cash. The unpaid rent accrues without interest. At the end of the lease term, the Authority has the right to acquire the leasehold improvements at the fair market price as established in the sublease agreement. In 2020, the Authority purchased the land from the owner. The terms of the sublease are still in effect. As of June 30, 2022, the lease receivable is $1,831,037.

Seller take-back notes

Seller take-back notes receivable are accrued payments related to a note entered into between the Authority (seller) and the limited Partnership (buyer), when the buyer is not in a position to fully fund the purchase and the parties close the sale with the seller taking from the buyer a purchase money note in lieu of payment of the purchase price in full.

Bendorf Drive, L.P. - In December 2013, Bendorf Drive, L.P. entered into a seller take-back note with Villa San Pedro HDC, Inc. in the amount of $9,277,939 for a 100-unit affordable housing complex (Villa San Pedro Apartments). The note bears interest at 3.32% compounded annually, payable from excess distributable cash, with the entire principal and interest due in full in December 2069. As of June 30, 2022, the outstanding amount is $9,277,939.

Clarendon Street, L.P. - In 2013, Clarendon Street, L.P. entered into a seller take-back note with Villa Garcia, Inc. in the amount of $8,724,603. The note bears interest at 2.4% compounded annually, payable from available excess/distributable cash, with the entire principal and interest due in full by December 31, 2068. As of June 30, 2022, the outstanding amount is $5,482,879.

Halford LLC - On June 30, 2014, the Authority (Lessor) and the partnership (Lessee) entered into a seller take-back note in the amount of $2,843,750. The note is secured by a subordinate deed of trust recorded against the Eklund Gardens I property and bears no interest. Payments are due and payable beginning June 1, 2015, continuing on the same day of each year thereafter until the maturity date of December 31, 2044, to the extent of available Net Cash Flow. As of June 30, 2022, the outstanding amount is $1,965,721.

Julian Street Partners, L.P. - On November 1, 2010, the Authority (Lessor), and the partnership (Lessee) have entered into a seller take-back note in the amount of $22,802,850 for the premises on which six multifamily rental housing properties (Cypress Gardens, Lenzen Gardens, Sunset Gardens, Lucretia Gardens, Julian Gardens and Miramar Way) are located. The note is secured by a subordinate deed of trust recorded against these properties, bears interest at 4.35% compounded annually, payments are due and payable beginning June 1, 2011 and continues on the first day of each year thereafter until the maturity date, December 31, 2055, to the extent of available net cash flow as defined in the agreement. As of June 30, 2022, the outstanding amount is $20,588,845.

Laurel Grove Lane L.P. - On June 1, 2016, the Authority (Lessor) and the partnership (Lessee) have entered into a seller take-back note in the amount of $2,557,609. The note is secured by a deed of trust recorded against the Laurel Grove Property, bears interest at 5% compounding annually, is due and payable on the earlier of the 55th anniversary of the completion date or June 1, 2073, and payable from residual receipts. As of June 30, 2022, the outstanding amount is $2,557,609.

McCreery Avenue L.P. - On February 1, 2015, Poco Way HDC (Lessor), and the partnership (Lessee) have entered into a seller take-back note in the amount of $10,021,352. The note is secured by a deed of trust recorded against the Poco Way Property, bears interest at 2.41% annum, compounding annually, payments are due and payable beginning April 1, 2016 and continues on the first day of each year thereafter until the maturity date, December 31, 2070, to the extent of available net cash flow as defined in the agreement. As of June 30, 2022, the outstanding amount is $10,021,352. On December 1, 2016, a Recourse, Unsecured Promissory Note was issued between the partnership and the Authority for $325,295. The note does not bear interest. Payments are due and payable, beginning April 1, 2017, and continuing on the same day each year thereafter until the maturity date of December 31, 2071, to the extent of available net cash flow. As of June 30, 2022, the outstanding amount is $325,295.

Park Avenue Seniors, L.P. – On November 1, 2016, the Authority (Lessor) and the partnership (Lessee) have entered into a seller take-back note in the amount of $6,000,000. The note is secured by a deed of trust recorded against the Park Avenue Property, bears simple interest at 4% annum, is due and payable on the earlier of 55 years after the completion date or November 1, 2073, and payable from residual receipts. As of June 30, 2022, the outstanding amount is $6,000,000.

Poinciana LLC - On June 30, 2014, the Authority (Lessor) and the partnership (Lessee) entered into a seller take-back note in the amount of $1,706,250. The note is secured by a subordinate deed of trust recorded against the Eklund Gardens II property and bears no interest. Payments are due and payable beginning June 1, 2015, continuing on the same day of each year thereafter until the maturity date of December 31, 2044, to the extent of available Net Cash Flow. As of June 30, 2022, the outstanding amount is $740,111.

Rincon Garden Associates, L.P. - On September 16, 2008, the Authority (Lessor) and the partnership (Lessee) have entered into a seller take-back note in the amount of $15,670,000 for the premises on which a 200-unit multifamily rental housing property (Rincon Gardens) is located. The note is secured by a subordinate deed of trust recorded against the Rincon Gardens property, bears interest at 5.35% compounding annually, payments are due and payable beginning October 1, 2008 and continues on the first day of each month thereafter until the maturity date October 1, 2063, to the extent of available net cash flow. As of June 30, 2022, the outstanding amount is $14,779,785.

Development and other services

The Authority advanced funds to affiliated entities for development costs, and/or to finance the repurchase and acquisition of properties. These advances are non-interest bearing. The advance receivables included in the Authority's financial statements from blended component units have been eliminated against the entities' payables, which are also included on their respective financial statements.

Equity interest in affiliated limited partnerships

Equity interest in affiliated limited partnerships as of December 31, 2021 includes the following:

Blended Component Units	Investee Partnerships	Amount
Avenida Espana HDC, Inc.	AE Associates, Ltd. Julian Street Partners, L.P. McCreery Avenue L.P. Rincon Gardens Associates, L.P.	$ 7,401,231
Bracher HDC, Inc.	HACSC/Choices Senior Associates HACSC/Choices Family Associates	(1,382,347)
DeRose HDC, Inc.	Bascom HACSC Associates Blossom River Associates Hermocilla LLC	(2,797,360)
Pinmore HDC, Inc.	Fairground Luxury Family Apartments L.P. Fairgrounds Senior Housing, L.P. Helzer Associates Laurel Grove Lane L.P Park Avenue Seniors L.P. Willows HACSC Associates	(4,661,464)
Rotary Plaza/HACSC HDC, Inc	Huff Avenue LLC	5,418,252
SPG Housing Inc.	Branham Lane LLC Halford Avenue LLC Klamath Associates L.P. Poinciana Drive LLC San Pedro Gardens Associates, Ltd South Drive LLC	1,636,102
Villa Garcia, Inc.	Clarendon Street L.P. Bellarmino Place L.P. Alvarado Park L.P.	(637)
Villa San Pedro HDC, Inc.	Bendorf Drive, LP	1,149,299
Total		$ 6,763,076

Guarantees, commitments and contingencies

Guarantees - The Authority has agreed to guarantee obligations of affiliated entities that are general partners in affordable housing limited partnerships. At June 30, 2022, the Authority's significant guarantees and commitments are summarized as follows:

Properties	Operating Deficit Guarantees	General Partner Demand Note	Tax Indem-nification Guarantees	General Partner & Developer Guaranty	HAP contract, Property Tax, Meals Service Program (if applicable)
A.E. Associates LP	$ -	$ 150,000	$ -	$ -	-
Bendorf Drive L.P.	-	-	4,550,062	-	HAP Contract
Blossom River Associates LP	-	250,000	-	-	-
Clarendon Street L.P.	575,000	-	2,437,788	-	HAP Contract
DeRose Garden Apartments (SPG Housing, Inc.)	-	175,000	-	-	-
Julian Street Partners L.P.	-	-	-	6,981,596	HAP Contract
Laurel Grove Lane L.P.	1,000,000	-	13,706,597	-	HAP Contract
McCreery Avenue L.P.	-	-	7,719,333	-	HAP Contract
Park Avenue Seniors, L.P.	897,517	-	16,607,650	-	HAP Contract
Rincon Garden Associates, L.P.	-	-	-	1,400,000	HAP Contract
Rotary Plaza/HACSC HDC, Inc.	-	194,000	-	-	-
San Pedro Gardens Associates, Ltd.	-	80,000	-	-	-
Total	**$ 2,472,517**	**$ 849,000**	**$ 45,021,430**	**$ 8,381,596**	

Note 10 - Conduit debt

From time-to-time, the Authority has issued multifamily housing revenue bonds to provide funds to developers of multifamily housing projects. The bonds are payable solely from the revenues collected by the developers of these projects. The Authority is not obligated in any manner for repayment of the indebtedness. Accordingly, the liabilities are not reported in the Authority's basic financial statements.

Conduit debt with the Authority's related parties

Blossom River Associates L.P. - In March 1998, the Authority participated in the issuance of $13,000,000 of Multifamily Housing Revenue Bonds Series 1998A and 1998A-T. These bonds were issued to provide financing for the construction and development by Blossom River Associates L.P. of a 144-unit multifamily rental housing project, Blossom River Apartments, and related support facilities. In accordance with the Indenture of Trust, trusts were established with the Bond Trustee to receive revenues from this project and distribute those revenues to various funds for principal and interest and other reserves, with the balance available for operating expenses. The series A-T bonds matured on September 1, 2004. At June 30, 2022, the principal amount payable for the Series A was $10,040,000.

Clarendon Street Associates L.P. - In November 2012, the Authority participated in the issuance of Multifamily Housing Revenue Bonds in the amount of $13,000,000. These bonds were issued to provide a portion of the financing for the acquisition and construction renovation by Clarendon Street L.P. of an 80-unit multifamily rental housing development project to be known as Clarendon Street Apartments (formerly Villa Garcia Apartments). The tax-exempt bond was purchased by Bank of the West and proceeds were distributed through three separate loan notes. The multifamily Housing Revenue Construction Note was paid off at permanent loan conversion in May 2014. At June 30, 2022, principal amount payable for the remaining Multifamily Housing Revenue Construction/Permanent Tranche A and Tranche B were $3,658,554 and $613,720, respectively.

HACSC/Choices Family Associates - In August 2001, the Authority participated in the issuance of Multifamily Housing Revenue Bonds Series 2001A in the amount of $8,865,000. These bonds were issued to provide a portion of the financing for the construction and development by HACSC/Choices Family Associates of 100 apartment units located in the City of Santa Clara for the Rivertown Apartment Project. In accordance with the Indenture of Trust, trusts were established with the Bond Trustee to receive revenues from this project and distribute those revenues to various funds for principal and interest and other reserves, with the balance available for operating expenses. At June 30, 2022, the principal amount payable was $6,492,257.

HACSC/Choices Senior Associates - In August 2001, the Authority participated in the issuance of Multifamily Housing Revenue Bonds Series 2001A in the amount of $6,715,000. These bonds were issued to provide part of the financing for the construction and development by HACSC/Choices Senior Associates of a 100-unit multifamily rental housing development for seniors and related support facilities to be known as John Burns Gardens Apartments. In accordance with the Indenture of Trust, trusts were established with the Bond Trustee to receive revenues from this project and distribute those revenues to various funds for principal and interest and other reserves, with the balance available for operating expenses. At June 30, 2022, the principal amount payable was $5,150,000.

Julian Street Partners L.P. - The Authority issued Multifamily Housing Revenue Bonds, 2010 Series A-1 loan in an amount of $18,035,000 and 2010 Series A-2 in an amount of $26,115,000 to provide financing to Julian Street Partners L.P. for the acquisition and rehabilitation of six affordable housing complexes. Series A-2 was paid in full in June 2012, as part of the permanent loan conversion. At June 30, 2022, the principal amount payable for the Series A-1 was $8,405,000.

Rincon Garden Associates, LP – In August 2010, the Authority issued Multifamily Housing Revenue Bonds, 2008 Series A-1 loan in the amount of $13,630,000 and 2008 Series A-2 in the amount of $3,391,000 to provide financing to Rincon Garden Associates L.P. for the rehabilitation of Rincon Garden Apartments. At June 30, 2022, the principal amount payable for Series A-1 was $10,619,314 and series A-2 was $455,723.

Willows/HACSC Associates - In April 2005, the Authority issued multifamily housing revenue bonds in the amount of $4,284,000 in tax-exempt Series A bonds. The bonds were issued to provide refunding funds related to the acquisition of a leasehold interest in the land and fee interest in the improvements and rehabilitation by Willows/HACSC Associates of the Willows Apartments, a 47-unit multifamily rental housing project. At June 30, 2022, the principal amount payable was $3,447,000.

Conduit debt with other entities

The Authority participated as a conduit debt issuer for a number of housing development projects that are not part of the Authority's operations. These issues are typically used in multi-family housing acquisition and construction. The Authority usually assigns the financing agreement (including all rights of issuer, except for reserved rights) together with other property to the Trustees. As of June 30, 2022, the Authority has the following outstanding conduit debt with non-Authority related entities:

Partnerships	Projects	Number of Units	Original Issue	Balance June 30, 2022
MP Timberwood Associates	Timberwood	286	$ 18,415,000	$ 8,990,000
Monte Vista Associates, LP	Monte Vista Terrace	150	13,000,000	4,917,000
Total		436		$ 13,907,000

Note 11 - Risk management

The Authority is exposed to various risks of loss including but not limited to tort liabilities; theft of, damage to, and destruction of assets; injuries to employees; and property loss due to natural disasters. There have been no significant reductions, rather enhancements, in insurance coverage from the previous year. The Authority did not have settled claims that exceeded its insurance coverage in any of the past three fiscal years. The Authority purchased insurance for commercial general liability, all-risk property, commercial auto liability and physical damage, employee theft/crime and director's and officer's liability including employment practices liability from various insurers including the Housing Authority Risk Retention Group, Inc. ("HARRG"), Travelers Insurance Company, Scottsdale Insurance Company, RSUI Indemnity, and United National Insurance Company.

Workers' compensation and employer's liability insurance are provided through California Housing Workers Compensation Authority ("CHWCA"), a joint powers insurance authority, and the excess coverage is provided by the Local Agency Workers Compensation Excess ("LAWCX"), a joint powers authority. The purpose of CHWCA is to pool resources of its members to provide coverage through group self-insurance, purchase insurance beyond what is provided through the pool and obtain favorable rates afforded through purchasing as a pool. Members are assessed premiums to cover both the self-insurance as well as the purchased insurance coverage of this risk management.

Liabilities	Deductible	Coverage	Excess
Commercial Property - Julian building	$ 25,000	$ 34,268,684	N/A
Commercial Property - N 1st street	25,000	21,900,000	N/A
Commercial Liability - Others	25,000	10,000,000	N/A
Commercial Automobile Liability	-	3,000,000	N/A
Automobile Physical Damage	500	Actual Cash Value	
Directors and Officers Liabilty	75,000	4,000,000	N/A
Employment Practices Liability	250,000	4,000,000	N/A
Worker's Compensation			
CHWCA	-	750,000	Statutory
LAWCX	-	5,000,000	Statutory
Fidelity Insurance	6,500	1,000,000	N/A

There were no significant reductions in coverage and there were no claims exceeding the coverage limits during the past three years.

Note 12 – Pension plan

A. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the Authority's Miscellaneous Plan (Plan), an agent multiple-employer defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and the Authority resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website https://www.calpers.ca.gov/page/employers/actuarial-services/gasb.

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. Classic and non-classic members with five years of total service are eligible to retire, with statutorily reduced benefits, at age 50 and 52, respectively. 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.

The Plan's provisions and benefits in effect at fiscal year ended June 30, 2022 are summarized as follows:

Hire Date	Prior to January 1, 2013 (Classic)	On or After January 1, 2013 (Non-Classic)
Benefit Formula	2% @ 55	2% @ 62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50 -55	62 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	8.38%	8.38%

Employees Covered – As of June 30, 2021, the most recent information available, the following employees were covered by the benefit terms for the Plan:

Inactive employees or beneficiaries currently receiving benefits	86
Inactive employees entitled to but not yet receiving benefits	168
Active employees	155
Total	409

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the measurement period ended June 30, 2021, the employer's contribution rate for classic employees (employees hired before January 1, 2013 or employees hired after January 1, 2013 and have been in CalPERS system) is 8.38 percent and the employee contribution rate is 7 percent of annual pay. The employer's contribution rate for non-classic members (employees hired after January 1, 2013) is 8.38 percent of annual payroll and the employee's contribution rate is 6.75 percent. For the year ended June 30, 2022, the Authority contributed the actuarially determined contribution in the amount of $1,303,721. The contributions made during the year ended June 30, 2022 are reported as deferred outflows of resources on the statement of net position as discussed below.

California Employers' Pension Prefunding Trust (CEPPT) – In May 2021, the Authority established a Section 115 irrevocable trust with the CEPPT. The Board approved an initial deposit of $2.5 million into the trust during 2021. Of the deposit, 88.55% were from federal funds and 11.45% from non-federal funds. Participation in CEPPT provides the Authority a strategic means to finance its long-term pension benefit commitment and allows more control and flexibility in investment allocations. At June 30, 2022, the Authority reported the investment in the amount of $2,221,176 as restricted long-term investments.

B. Net Pension Liability (Asset)

The Authority's net pension liability (asset) for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability (asset) of its Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. At June 30, 2022, the Authority reported a net pension asset of $26.9 million for the Plan, a net change of $13.6 million from the previous year.

A summary of principal assumptions and methods used to determine the net pension liability (asset) is shown below:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Services
Mortality[1]	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lessor of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

1 The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates includes 15 years of projected mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the 2017 CalPERS Experience Study available on the CalPERS website.

All other actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the 2017 CalPERS Experience Study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the 2017 CalPERS Experience Study can be found on the CalPERS website under Forms and Publications.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The long-term expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 [1]	Real Return Years 11+ [2]
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	-	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	-0.92%

1 An expected inflation of 2.00% used for this period.
2 An expected inflation of 2.92% used for this period.

On November 17, 2021, the CalPERS Board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expenses assumption support a discount rate of 6.90% (net of investment expenses but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions will be reflected in the accounting valuation reports for the June 30, 2022 measurement date.

C. Changes in the Net Pension Liability (Asset)

The following table shows the changes in net pension liability (asset) recognized over the measurement period.

	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)
Balances reported at July 1, 2021	$ 73,123,267	$ 86,462,801	$ (13,339,534)
Changes for the year:			
Service cost	2,061,356	-	2,061,356
Interest on total pension liability	5,253,573	-	5,253,573
Differences between expected and actual experiences	634,367	-	634,367
Contributions from employer	-	1,254,775	(1,254,775)
Contributions from employees	-	983,068	(983,068)
Net investment income	-	19,372,907	(19,372,907)
Benefit payments, including refunds of employee contributions	(2,623,533)	(2,623,533)	-
Administrative expense	-	(86,371)	86,371
Net change	5,325,763	18,900,846	(13,575,083)
Balances reported at June 30, 2022	$ 78,449,030	$ 105,363,647	$ (26,914,617)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan fiduciary net position is available in the separately issued CalPERS financial reports.

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

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Net Pension Liability (Asset)	$ (15,868,268)	$ (26,914,617)	$ (36,032,111)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the Authority recognized pension income of $1.6 million. At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions form the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 1,303,721	$ -
Changes of assumptions	-	(32,327)
Difference between expected and actual experiences	1,063,256	(81,972)
Net difference between projected and actual earnings on plan investments	-	(9,445,051)
Total	$ 2,366,977	$ (9,559,350)

$1.3 million of deferred outflows of resources shown above relates to contributions subsequent to the measurement date and will be recognized as a reduction of (addition to) the net pension liability (asset) in the year ending June 30, 2023.

Amounts reported as deferred inflows and outflow of resources (except for pension contributions subsequent to measurement date as discussed in the paragraph above) will be recognized as future pension expense as follows.

Year Ending June 30,	
2023	$ (1,867,759)
2024	(1,871,587)
2025	(2,130,679)
2026	(2,626,069)
	$ (8,496,094)

Note 13 –Other postemployment benefits

A. General Information about the OPEB Plans

Plan description - The Authority provides eligible employees with post-retirement medical healthcare benefits. Upon retirement, qualified employees and spouses/domestic partners are eligible for continued medical coverage up to the Employer Coverage Cap in effect on the date of the employee's retirement. The medical provider at the time of retirement will be the same medical provider during the final year of employment unless the employee moves from the plan service area. In the event the employee moves out of the plan service area, a supplemental medical plan will be made available at that time. Participation in Part A and Part B of the Medicare plan available at the time of retirement is a requirement of the plan.

The surviving spouse or domestic partner may continue to purchase medical coverage after the death of the retiree at the surviving spouse/partner's expense. The Authority participates in the CalPERS medical program as permitted under the Public Employees' Medical and Hospital and Care Act ("PEMHCA"). As such, the Authority is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued.

Benefits provided - As provided by the PEMHCA, the Authority has been under contract with CalPERS for medical plan coverage since 2008 and has chosen to satisfy its retiree medical benefit commitment using the unequal contribution method.

The Authority has made contributions toward the medical premiums of retirees who meet the conditions set forth in the following table.

	Years of Service with the Authority		
Minimum Retirement Age *	At least 20 and less than 25	At least 25 and less than 30	30 or more
62	80%	90%	100%
63	85%	95%	100%
64	90%	100%	100%
65	100%	100%	100%

* Employee must reach this age while employed.

In addition to its monthly contributions of up to the $1,780 cap, toward the cost of retiree medical coverage, the Authority pays 100% of the cost of dental and vision insurance for those retirees that opted for the "early retirement option plans" offered by the Authority in the past as an incentive for early retirement. During the year ended June 30, 2010, the Authority entered into an agreement with CalPERS whereby the Authority is a contracting agency under PEMHCA, which is administered by CalPERS for the provision of healthcare insurance programs for both active and retired employees. The Authority participates in the CERBT, an agent-multiple employer postemployment health plan, to prefund other postemployment benefits through CalPERS. The financial statements for CERBT may be obtained by writing the CalPERS, Constituent Relations Office, CERBT (OPEB), P.O. Box 242709, Sacramento, California 94229-2709 or by calling 888-225-7377.

Employees Covered – As of June 30, 2021, the most recent information available, the following employees were covered by the benefit terms for the OPEB plan:

Inactive employees or beneficiaries currently receiving benefits	50
Inactive employees entitled to but not yet receiving benefits	16
Active employees	156
Total	222

Contributions – The Authority makes contributions on an actuarial basis, funding the full Actuarially Determined Contributions. The Authority's contribution to the plan occur as benefits are paid to the retirees or as contributions to CERBT. Benefit payments occur in the form of direct payments for premiums and taxes (explicit subsidies) and indirect payments to retirees in the form of higher premiums for active employees (implicit subsidies).

Benefits and other contributions paid by the Authority during the measurement period and those made in the year following the measurement period but prior to June 30, 2022 are shown below.

	Employer Contributions for the Measurement Period	
	July 1, 2020 thru June 30, 2021	July 1, 2021 thru June 30, 2022
Employer contributions in the form of direct benefit	$ 429,984	$ 391,110
Implicit contributions	126,869	116,091
Total	$ 556,853	$ 507,201

The amount of implicit contributions paid are reflected as a reduction in (active) employee premium. The contributions made during the year ended June 30, 2022 are reported as deferred outflows of resources on the statement of net position as discussed below.

B. Net OPEB Liability (Asset)

The Authority's net OPEB liability (asset) is measured as the total OPEB liability, less the OPEB plan's fiduciary net position. The net OPEB liability (asset) is measured as of June 30, 2021 (measurement date), using an annual actuarial valuation as of June 30, 2021.

A summary of principal actuarial assumptions and methods used to determine the net OPEB liability (asset) is as follows:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	June 30, 2020 to June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	5.50%
Inflation	2.50%
Salary Increase	3.00%
Medical trend	Medical premium: Healthcare cost trend rate of 5.8% for initial year, fluctuating down to 3.9% in 2076 PMEHCA: 4.0% Dental and vision premium: 3.5%
Mortality	Derived using CalPERS' Membership Data for all Funds (1)

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1 Demographic actuarial assumptions used are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015, except for the MacLeod Watts Scale 2020 applied generationally from 2015 as the basis to project future morality improvements. The representative mortality rates were those published by CalPERS, adjusted to back out 15 years of Scale MP-2016 to central year 2015.

Changes of Assumptions – During measurement year 2021, healthcare cost trend rates were adjusted.

Discount Rate - The discount rate used to measure the total OPEB liability was 5.50 percent. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made equal to the actuarially determined contribution. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The long-term expected rate of return for OPEB plan investments is 5.50 percent. Using historical returns of all the funds' asset classes, expected compound geometric returns were calculated over the short-term (first 5 years) and the long-term (6+ years) using a building-block approach. The long-term expected real rate of return by asset class and the target allocation are as follows:

Asset Class	Current Target Allocation	Real Return Years 1-5 [1]	Real Return Years 6 + [2]
Global Equity	34.0%	4.40%	4.50%
Fixed Income	41.0	-1.00	2.20
REITS	17.0	3.00	3.90
TIPS	5.0	-1.80	1.30
Commodities	3.0	0.80	1.20

(1) An expected inflation rate of 2.40% is used for this period.
(2) An expected inflation rate of 2.30% is used for this period.

C. Changes in the Net OPEB Liability (Asset)

The following table shows the changes in net OPEB liability (asset) for the year ended June 30, 2022:

	Total OPEB Liability	OPEB Plan Net Position	Net OPEB Liability (Asset)
Balances reported at July 1, 2021	$ 11,713,474	$ 14,922,847	$ (3,209,373)
Changes for the year:			
Service cost	471,604	-	471,604
Interest on total OPEB liability	654,866	-	654,866
Changes in benefit terms	1,441,110	-	1,441,110
Contributions from employer	-	556,853	(556,853)
Net investment income	-	2,932,805	(2,932,805)
Benefit payments	(556,853)	(556,853)	-
Assumption changes	(613,994)	-	(613,994)
Plan Experience	(867,936)	-	(867,936)
Administrative expense	-	(5,430)	5,430
Net change	528,797	2,927,375	(2,398,578)
Balances reported at June 30, 2022	$ 12,242,271	$ 17,850,222	$ (5,607,951)

The following presents the net OPEB liability (asset) of the OPEB plan as of the measurement date, calculated using the discount rate of 5.5 percent, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (4.5 percent) or 1 percentage-point higher (6.5 percent) than the current rate:

	Discount Rate -1% (4.5%)	Current Discount Rate (5.5%)	Discount Rate +1% (6.5%)
Net OPEB Liability (Asset)	$ (3,869,311)	$ (5,607,951)	$ (7,044,420)

The following presents the net OPEB liability (asset) of the OPEB plan as of the measurement date, as well as what the net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current rates:

	Heathcare Trend Rate (less 1%)	Current Heathcare Trend Rate	Heathcare Trend Rate (plus 1%)
Net OPEB Liability (Asset)	$ (7,212,552)	$ (5,607,951)	$ (3,618,937)

OPEB Plan Fiduciary Net Position - Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERBT financial report.

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

For the year ended June 30, 2022 the Authority recognized OPEB expense of $1.0 million. At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 507,201	$ -
Changes of assumptions	848,152	725,724
Difference between expected and actual experiences	-	2,367,664
Net difference between projected and actual earnings on plan investments	-	1,759,325
Total	$ 1,355,353	$ 4,852,713

$0.5 million of deferred outflows of resources shown above relates to contributions subsequent to the measurement date and will be recognized as a reduction of (addition to) the net OPEB liability (asset) in the year ending June 30, 2023.

Other amounts reported as deferred inflows and outflow of resources (except for OPEB contributions subsequent to measurement date as discussed in the paragraph above) will be recognized as future OPEB expense as follows.

Year Ending June 30,	
2023	$ (771,733)
2024	(775,316)
2025	(761,069)
2026	(802,674)
2027	(380,236)
Thereafter	(513,533)
	$ (4,004,561)

Note 14 - Commitments and contingent liabilities

Lawsuit and claims

The Authority is subject to lawsuits and claims which arise out of the normal course of its activities. In the opinion of the management of the Authority and its legal counsel, the disposition of any and all such actions, of which it is aware, will not have a material effect on the financial position of the Authority.

Grants and contracts

The Authority participates in various federally and locally-assisted grant programs that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of the grant agreements and applicable federal and other regulations, including the expenditure of resources for allowable purposes. Any disallowances resulting from a review or audit may become a liability of the Authority; however, as of the date of this report, no such liabilities are reflected in the accompanying financial statements.

Concentrations

For the year ended June 30, 2022, approximately 95.5% of operating revenues and 99.4% of accounts receivables reflected in the financial statements are from HUD. The Authority operates in a highly regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related costs and the additional administrative burden to comply with the changes.

Note 15 - Moving-to-Work program

Pursuant to the 2008 Appropriations Act, HUD and the Santa Clara County Housing Authority (which includes the Housing Authority of the City of San Jose) (collectively, "MTW Authority") entered into Moving-to-Work Demonstration (MTW) agreements on February 26, 2008. These agreements are effective from January 2, 2008 until the MTW Authority's fiscal year 2028. Under MTW, the MTW Authority as provided by Section 204(a) of the 1996 Appropriations Act (Section 204(a)), is able to administer its Section 8 and public housing programs with flexibility to reduce costs and achieve efficiencies; to provide incentives to families that are working, seeking work, or participating in job training; and to increase housing choices for low-income families.

According to Section 204(a), HUD may permit agencies to combine funds appropriated under Section 8 and Section 9 of the 1937 Act. The Conventional Housing Program ("Public Housing") and the Public Housing Capital Reserves are also considered MTW Reserves and are reported as unrestricted net position in its separate programs.

The Section 8 Voucher Housing Assistance Payments ("HAPs") and Administrative Fees revenues that are not utilized to pay HAPs and/or administrative/operating expenses will be part of the unrestricted net position balance in accordance with GAAP. Unrestricted net position also includes, but is not limited to, interest and investment income on HAP investments. The eligible uses of MTW funds are defined in the MTW agreements and states that the eligibility would be as under Sections 9(d)(1), 9(e)(1) and 8(o) of the 1937 Act. Thus, the MTW Authority may use MTW Reserves for activities that would be eligible for Public Housing and Voucher programs. Additionally, MTW funds can be used for activities that fall outside of Section 8 and Section 9 provided these activities are HUD approved through the annual MTW plan. Some of these excess HAP reserves may be subject to recapture by HUD based on future Congressional Appropriations Bills and HUD Rules and Regulations.

Each fiscal year since 2008, when the Authority became an MTW agency, the Authority has earned and recognized on its financial statements MTW HAPs revenues based on the annual MTW contractual agreement, irrespective if these funds were received, spent and expensed in that year. However, beginning in January 2014, based on HUD PIH Notice 2011-67, issued on December 9, 2011, HUD has implemented the United States Treasury's rule on cash management on all MTW Public Housing Authorities (MTW-PHA), including the Authority, that results in changes associated with HAP accounting and revenue recognition, as follows:

- HUD will limit the disbursement of HAP funds to the amount that is needed by MTW-PHA to make immediate payments.
- Undisbursed HAP fund will be held by HUD as "*HUD Held Program Reserves*", and will be available for future HAPs.

Cash management does not change the amount of HAP funds that are available to the MTW-PHA, as the amount of funds available is still determined by the MTW agreement and Annual Budget Authority. However, the cash management rules will impact the timing when such funds are available to the MTW-PHA. PIH-REAC PHA Accounting Briefs #19, *Revenue Recognition for HAPs and Administrative Fees for HCV Program*, issued in June 2013, states that, as per HUD guidance, HCV program funds that the PHA receives are considered a voluntary non-exchange transaction.

GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions* define a voluntary non-exchange transaction as a transaction in which a government gives and receives value without directly receiving or giving something of equal value in return. These transactions, typically resulting from a legislative or contractual agreement, are entered into willingly by two parties. GASB Statement No. 33 also provides that a PHA that treats the HCV program as an enterprise fund and uses the accrual basis (as does the Authority) should recognize revenues under a voluntary non-exchange transaction if it meets four conditions: that the revenues are measurable, probable of collection, meet eligibility requirements and are a legally enforceable claim. Accordingly, PHAs, that are not MTW agencies meet all the conditions of the revenue recognition except that they are not normally considered to have a legally enforceable claim (under their agreements they are entitled to receive what is actually spent, up to the limit of their annual appropriation) and thus these PHAs could not recognize their HCV funds as revenues. The Authority believes that MTW PHAs meet all the conditions of the revenue recognition, and in contrast, have an agreement with HUD that authorizes expenditure of funds up to a stated annual funding level and unspent funds are earned and carried over from year to year. The underlying contract between HUD and a MTW-PHA provides the basis for a legally enforceable claim, and the Authority's management is of the opinion that HUD-Held Program funds should be recognized as revenues on the Authority's financial statement as the funds meet all the criteria and conditions of GASB Statement No. 33 for a voluntary non-exchange transaction. Accordingly, the Authority has recognized these HUD-Held HCV (MTW) Program funds as revenues and receivables ($178,773,269 as of June 30, 2022) on its financial statements.

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Notes to Financial Statements
For the Year Ended June 30, 2022

During the year ended June 30, 2022, the unrestricted net position activities of the Moving To Work Programs are as follows:

	MTW - Public Housing	MTW - Section 8 Rental Voucher Program	Moving To Work Program		
	Conventional Housing Program and Public Housing Capital	Section 8 Vouchers Fee Reserves	Construction Projects *	MTW Reserves	Moving To Work Program
Unrestricted net position at June 30, 2021, as reported	$ 6,211,827	$ 1,937,546	$ 2,203,133	$ 259,347,631	$ 261,550,764
Year ended June 30, 2022 operating activity:					
HAP earned	-	-	-	403,931,668	403,931,668
Administrative fees earned	-	-	-	22,219,782	22,219,782
Admin Fee Earned – CARES Act	-	1,110,000	-	-	-
Public Housing rental income	18,190	-	-	-	-
Operating subsidy	-	-	-	17,644	17,644
Pension income	-	1,415,520	-	-	-
Other income	224,679	782,531	5,000	1,728,040	1,733,040
50% of fraud recovery	-	66,285	-	66,285	66,285
FSS Escrow forfeits	-	-	-	46,016	46,016
Gain on the sale of fixed assets	-	-	304,200	-	304,200
HAP expenses	-	(374,489,356)	-	-	-
Interim Housing Rental Subsidy payment	-	-	-	(400,100)	(400,100)
Administrative and operational expenses	(83,350)	(25,061,177)	(136,374)	-	(136,374)
Other Postemployment Benefits (OPEB) expenses	-	(861,516)	-	-	-
Net decrease / (increase) in capital assets	(54,184)	(9,658,490)	1,890,000	10,684,461	12,574,461
Year ended June 30, 2022 transfers in (out):					
Transfer reimbursement from HARA for executive compensation per HUD regulations	-	400,648	-	-	-
Transfer related to year-end pension (GASB 68) adjustments	-	30,086	-	-	-
Transfer out for FY 2022 Asset Management activities	-	-	-	(1,100,500)	(1,100,500)
Other interfund transfers between MTW and MTW related programs	111,094	410,170,648	(4,385,006)	(405,896,736)	(410,281,742)
Year ended June 30, 2022 other changes:					
Increases in net Pension and OPEB assets balance	-	(14,110,259)	-	-	-
Increase in the restricted escrow deposit	-	-	-	(162,500)	(162,500)
Subtotal year ended June 30, 2022 activity	216,429	(10,205,080)	(2,322,180)	31,134,060	28,811,880
Unrestricted net position at June 30, 2022	$ 6,428,256	$ (8,267,534)	$ (119,047)	$ 290,481,691	$ 290,362,644

* Construction projects include Race Street and East Santa Clara.

Note 16 – Condensed blended component unit information

Condensed net position information of the blended component units is presented as follows:

	AE Associates, Ltd. (1)(2)	Alvarado Park LP (1)(2)	Avenida Espana HDC, Inc. (1)(2)	Bascom HACSC Associates (1)(2)	Bellarmino Place LP (1)(2)	Blossom River Associates LP (1)(2)	Bracher HDC, Inc. (1)(2)	DeRose HDC, Inc. (1)(2)	HACSC/Choices Family Associates (1)(2)	HACSC/Choices Senior Associates (1)(2)
Current assets	$ 556,044	$ 490,648	$ 2,096,696	$ 3,158,152	$ 2,021,504	$ 3,776,190	$ 121,888	$ 1,060,264	$ 2,891,593	$ 2,075,156
Due from component units and related parties	-	-	386,498	-	-	-	113,850	40,000	-	-
Other noncurrent assets	-	-	7,401,231	-	-	-	(1,382,347)	(2,797,360)	-	-
Capital assets	2,847,358	1,702,681	-	11,586,297	2,400,352	9,934,209	-	-	12,824,513	9,346,362
Total assets	3,403,402	2,193,329	9,884,425	14,744,449	4,421,856	13,710,399	(1,146,609)	(1,697,096)	15,716,106	11,421,518
Current liabilities	103,650	99,990	10,700	417,003	209,618	724,071	9,700	10,200	662,538	430,606
Due to component units and related parties	72,676	2,094,955	12,652,152	8,868,840	4,212,583	9,552,108	-	-	54,751	90,549
Noncurrent liabilities	7,070,531	-	-	4,685,000	-	9,726,517	-	-	14,992,597	12,281,451
Total liabilities	7,246,857	2,194,945	12,662,852	13,970,843	4,422,201	20,002,696	9,700	10,200	15,709,886	12,802,606
Net position:										
Net investment in capital assets	(1,530,464)	1,702,681	-	6,781,297	2,400,352	(77,308)	-	-	(1,767,540)	(1,015,913)
Restricted	415,392	-	-	1,481,845	-	3,023,827	-	-	2,295,676	1,935,689
Unrestricted	(2,728,383)	(1,704,297)	(2,778,427)	(7,489,536)	(2,400,697)	(9,238,816)	(1,156,309)	(1,707,296)	(521,916)	(2,300,864)
Total net position	$ (3,843,455)	$ (1,616)	$ (2,778,427)	$ 773,606	$ (345)	$ (6,292,297)	$ (1,156,309)	$ (1,707,296)	$ 6,220	$ (1,381,088)

	Hawthorn Senior Apartment LP (1)(2)	Helzer Associates LP (1)(2)	Klamath Associates LP (1)(2)	Pinmore HDC, Inc. (1)(2)	Poco Way HDC, Inc. (1)(2)	Rotary Plaza/ HACSC HDC, Inc. (1)(2)	San Pedro Gardens Associates, Ltd. (1)(2)	S.P.G. Housing, Inc. (1)(2)	Villa Garcia Inc. (1)(2)	Villa San Pedro HDC, Inc. (1)(2)
Current assets	$ 500,000	$ 3,377,664	$ 446,403	$ 1,667,401	$ 1,950,717	$ 1,321,622	$ 355,886	$ 870,632	$ 3,539,973	$ 275,083
Due from component units and related parties	-	-	-	226,711	11,628,060	10,000	-	196,830	5,946,339	11,796,280
Other noncurrent assets	-	-	-	(4,661,464)	262,994	5,418,252	-	1,636,102	(637)	1,149,299
Capital assets	40,282	14,584,494	1,575,799	-	46,038,713	3,242,450	908,472	4,194,082	-	-
Total assets	540,282	17,962,158	2,022,202	(2,767,352)	59,880,484	9,992,324	1,264,358	6,897,646	9,485,675	13,220,662
Current liabilities	40,282	755,263	103,985	13,400	145,497	299,247	46,980	1,625,700	12,200	8,400
Due to component units and related parties	500,000	9,285,068	492,231	-	18,565,296	3,002,488	366,197	1,527,995	-	1,070,938
Noncurrent liabilities	-	13,052,067	1,802,340	-	29,000,000	600,474	2,502,686	259,310	-	-
Total liabilities	540,282	23,092,398	2,398,556	13,400	47,710,793	3,902,209	2,915,863	3,413,005	12,200	1,079,338
Net position:										
Net investment in capital assets	-	1,212,427	631,135	-	17,038,713	2,545,391	(599,200)	2,473,269	-	-
Restricted	-	1,616,013	26,836	-	18	171,007	162,531	248,778	-	-
Unrestricted	-	(7,958,680)	(1,034,325)	(2,780,752)	(4,869,040)	3,373,717	(1,214,836)	762,594	9,473,475	12,141,324
Total net position	$ -	$ (5,130,240)	$ (376,354)	$ (2,780,752)	$ 12,169,691	$ 6,090,115	$ (1,651,505)	$ 3,484,641	$ 9,473,475	$ 12,141,324

(1) Component unit was audited by other auditors.
(2) As of December 31, 2021.

Condensed revenues, expenses, and changes in net position information of the blended component units is presented as follows:

	AE Associates, Ltd. (1)(2)	Alvarado Park LP (1)(2)	Avenida Espana HDC, Inc. (1)(2)	Bascom HACSC Associates (1)(2)	Bellarmino Place LP (1)(2)	Blossom River Associates LP (1)(2)	Bracher HDC, Inc. (1)(2)	DeRose HDC, Inc. (1)(2)	HACSC/Choices Family Associates (1)(2)	HACSC/Choices Senior Associates (1)(2)
Operating revenues	$ 827,295	$ -	$ 362,916	$ 1,953,174	$ -	$ 2,749,010	$ (261,503)	$ 187,356	$ 2,032,080	$ 1,247,648
Operating expenses	982,816	291	482,070	1,242,795	63	2,078,894	9,715	19,550	1,620,649	1,132,505
Operating income (loss)	(155,521)	(291)	(119,154)	710,379	(63)	670,116	(271,218)	167,806	411,431	115,143
Nonoperating revenues (expenses), net	(98,530)	274	205	(446,923)	1,168	(761,290)	-	-	(559,819)	(412,876)
Change in net position	(254,051)	(17)	(118,949)	263,456	1,105	(91,174)	(271,218)	167,806	(148,388)	(297,733)
Net position, beginning of year	(3,589,404)	(1,599)	(2,659,478)	510,150	(1,450)	(6,201,123)	(885,091)	(1,875,102)	154,608	(1,083,355)
Net position, end of year	$ (3,843,455)	$ (1,616)	$ (2,778,427)	$ 773,606	$ (345)	$ (6,292,297)	$ (1,156,309)	$ (1,707,296)	$ 6,220	$ (1,381,088)

	Hawthorn Senior Apartment LP (1)(2)	Helzer Associates LP (1)(2)	Klamath Associates LP (1)(2)	Pinmore HDC, Inc. (1)(2)	Poco Way HDC, Inc. (1)(2)	Rotary Plaza/ HACSC HDC, Inc. (1)(2)	San Pedro Gardens Associates, Ltd. (1)(2)	S.P.G. Housing, Inc. (1)(2)	Villa Garcia Inc. (1)(2)	Villa San Pedro HDC, Inc. (1)(2)
Operating revenues	$ -	$ 3,604,778	$ 341,178	$ 204,743	$ 1,083,085	$ 1,862,100	$ 326,004	$ 1,154,837	$ 1,106	$ 14,757
Operating expenses	-	2,386,132	313,225	13,399	1,338,002	1,280,867	366,644	1,270,947	12,049	8,563
Operating income (loss)	-	1,218,646	27,953	191,344	(254,917)	581,233	(40,640)	(116,110)	(10,943)	6,194
Nonoperating revenues (expenses), net	-	(1,084,395)	(64,908)	-	(2,935)	(114,048)	(52,903)	138,722	143,239	358,244
Change in net position	-	134,251	(36,955)	191,344	(257,852)	467,185	(93,543)	22,612	132,296	364,438
Net position, beginning of year	-	(5,264,491)	(339,399)	(2,972,096)	12,427,543	5,622,930	(1,557,962)	3,462,029	9,341,179	11,776,886
Net position, end of year	$ -	$ (5,130,240)	$ (376,354)	$ (2,780,752)	$ 12,169,691	$ 6,090,115	$ (1,651,505)	$ 3,484,641	$ 9,473,475	$ 12,141,324

(1) Component unit was audited by other auditors.
(2) For the year ended December 31, 2021.

Condensed cash flows information of the blended component units is presented as follows:

	AE Associates, Ltd. (1)(2)	Alvarado Park LP (1)(2)	Avenida Espana HDC, Inc. (1)(2)	Bascom HACSC Associates (1)(2)	Bellarmino Place LP (1)(2)	Blossom River Associates LP (1)(2)	Bracher HDC, Inc. (1)(2)	DeRose HDC, Inc. (1)(2)	HACSC/Choices Family Associates (1)(2)	HACSC/Choices Senior Associates (1)(2)
Cash flows from:										
Operating activities	$ 19,565	$ 308	$ 23,781	$ 450,977	$ 1,430	$ 576,422	$ 185	$ (15,940)	$ 520,572	$ 255,185
Investing activites	(31,371)	(471,966)	20,668	(69,343)	(824,474)	(80,428)	16	513,154	(48,679)	(218,755)
Financing activites	(45,620)	427,446	-	715,490	2,297,047	(457,005)	-	-	(351,447)	(120,000)
Net change in cash and cash equivalents	(57,426)	(44,212)	44,449	1,097,124	1,474,003	38,989	201	497,214	120,446	(83,570)
Cash and cash equivalents, beginning of year	560,739	534,860	2,052,247	2,017,882	547,501	3,609,110	121,687	563,050	2,735,122	2,135,070
Cash and cash equivalents, end of year	$ 503,313	$ 490,648	$ 2,096,696	$ 3,115,006	$ 2,021,504	$ 3,648,099	$ 121,888	$ 1,060,264	$ 2,855,568	$ 2,051,500

	Hawthorn Senior Apartment LP (1)(2)	Helzer Associates LP (1)(2)	Klamath Associates LP (1)(2)	Pinmore HDC, Inc. (1)(2)	Poco Way HDC, Inc. (1)(2)	Rotary Plaza/ HACSC HDC, Inc. (1)(2)	San Pedro Gardens Associates, Ltd. (1)(2)	S.P.G. Housing, Inc. (1)(2)	Villa Garcia Inc. (1)(2)	Villa San Pedro HDC, Inc. (1)(2)
Cash flows from:										
Operating activities	$ -	$ 344,938	$ 60,309	$ 46,233	$ (61,142)	$ 335,880	$ (44,599)	$ 277,653	$ 146,093	$ (232,244)
Investing activities	-	(69,617)	-	38	(3,526,224)	306,683	(82,034)	(252,613)	466,123	-
Financing activities	500,000	(107,986)	309,355	-	2,992,476	(302,076)	116,895	(59,148)	-	(448,112)
Net change in cash and cash equivalents	500,000	167,335	369,664	46,271	(594,890)	340,487	(9,738)	(34,108)	612,216	(680,356)
Cash and cash equivalents, beginning of year	-	3,112,465	70,263	1,621,130	2,527,332	938,673	358,479	835,208	2,927,757	955,439
Cash and cash equivalents, end of year	$ 500,000	$ 3,279,800	$ 439,927	$ 1,667,401	$ 1,932,442	$ 1,279,160	$ 348,741	$ 801,100	$ 3,539,973	$ 275,083

(1) Component unit was audited by other auditors.
(2) For the year ended December 31, 2021.

Note 17 – Summary Financial Information of Component Units

The following entities are considered component units of the Authority. Certain items may have changed for presentation purposes from the separately issued audited financial statements to conform to the Authority's presentation. The following disclosures are those that are material to the Authority and are not meant to be a full representation of each component unit's required disclosures. A copy of each component unit's separately issued audited financial statements can be obtained from the Authority's management.

The debt obligation noted in the following section, with the exception of land leases, does not include debt related to the Authority or its affiliates.

A. Blended Component Units

AE Associates, LTD

Ground lease

This Partnership leases land on which the Avenida Espana Gardens Project was built from the Authority. The lease is for 65 years and requires annual payments of $20,000 from excess/distributable cash. Any unpaid rent shall accrue without interest.

Long-Term debt

State of California, Department of Housing and Community Development Rental Housing Construction Program ("RHCP") Loan - The loan is secured by its project, bears simple interest at 3%, matures in December 2048, and is payable in annual payments of principal and interest from excess/distributable cash.

City of San Jose Note - The note bears no interest, is due in full in October 2022, and is payable in annual payments of $25,000 with additional payments from excess/distributable cash.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
RHCP Loan	$ 2,711,586	$ 3,285,000	$ 5,996,586	$ 18,877
City of San Jose	-	1,097,860	1,097,860	-
Subtotal	2,711,586	4,382,860	7,094,446	18,877
Less unamortized permanent loan costs	-	(5,038)	(5,038)	-
Total	$ 2,711,586	$ 4,377,822	$ 7,089,408	$ 18,877

Bascom HACSC Associates

Long-term debt

Series 2000A Multifamily Housing Revenue Bonds issued by the City of San Jose - The bonds in the original amount of $6,130,000 are secured by a direct pay letter of credits from Union Bank of California through the construction period and stabilization period. The bonds bear interest at a rate of 6.1% from the year 2001 to 2030, and 6.2% from the year 2031 to 2041. Payments of principal and interest are due every six months, amortized over a 38-year, 3-month term.

City of San Jose Note - The note is dated December 1, 2000, in the original amount of $7,370,000 is secured by a deed of trust on the property. The note bears interest at 2.75%, compounded annually, with a maturity date of April 2042. Payments of interest and principal are due annually on May 1, subject to the availability of Adjusted Net Cash Flow as defined in the note. This note, including accrued interest, was refinanced in May 2021 with the Authority's refinancing loan.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
Series 2000A Bonds	$ 151,716	$ 4,805,000	$ 4,956,716	$ 271,716

Blossom River Associates L.P.

Long-term debt

Series 1998A Multifamily Housing Revenue Bonds issued by the Authority - The bonds in the amount of $13,000,000 bears 6.5% simple interest. Payments of principal and interest which are due every 6 months, and amortized over a 40-year term.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
Series 1998A Bonds	$ 235,147	$ 10,180,000	$ 10,415,147	$ 520,147
Less unamortized permanent loan costs	-	(168,483)	(168,483)	-
Total	$ 235,147	$ 10,011,517	$ 10,246,664	$ 520,147

HACSC/Choices Family Associates

Long-term debt

City of Santa Clara Note (Successor Agency to the Redevelopment Agency of the City of Santa Clara) - The note, originally amounting to $4,323,000, bears simple interest at 2%, due in full in April 2042, and payable annually in principal and interest from excess/distributable cash.

Series 2001A Multifamily Housing Revenue Bonds issued by the Authority - The bonds, originally amounting to $8,865,000, bear interest at rates ranging from 3.95% to 6% and mature in August 2041. Monthly principal and interest payments of $45,385 are made to a trustee, and semi-annual payments to bondholders are made in August and February.

California Department of Housing and Community Development Multifamily Housing Program Loan - The loan bears simple interest at 3%, with an annual payment of 0.42% of the unpaid principal amount, to be repaid in full by October 2058.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
City of Santa Clara Note	$ 77,840	$ 3,858,270	$ 3,936,110	$ 143,178
Series 2001A Bonds	42,068	6,880,000	6,922,068	212,068
California HCD Loan	790,457	4,050,500	4,840,957	154,575
Subtotal	910,365	14,788,770	15,699,135	509,821
Less unamortized permanent loan costs	-	(196,717)	(196,717)	-
Total	$ 910,365	$ 14,592,053	$ 15,502,418	$ 509,821

HACSC/Choices Senior Associates

Long-term debt

City of Santa Clara (Successor Agency to the Redevelopment Agency of the City of Santa Clara) Loan - The note bears simple interest at 2%, due in full in April 2042, and payable annually in principal and interest from excess/distributable cash.

Series 2001A Multifamily Housing Revenue Bonds issued by the Authority - The bonds, originally amounting to $6,715,000, bears interest at rates ranging from 3.95% to 6% and mature in August 2041. Monthly principal and interest payments of $34,419 are made to a trustee, and semi-annual payments to bondholders are made in August and February.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
City of Santa Clara Note	$ 2,049,176	$ 5,317,000	$ 7,366,176	$ -
Series 2001A Bonds	154,120	5,215,000	5,369,120	284,120
Subtotal	2,203,296	10,532,000	12,735,296	284,120
Less unamortized permanent loan costs	-	(169,725)	(169,725)	-
Total	$ 2,203,296	$ 10,362,275	$ 12,565,571	$ 284,120

Helzer Associates L.P.

Long-term debt

Series 1999A Multifamily Housing Revenue Bonds issued by the City of San Jose - The bonds, dated May 1, 1999, were issued in the amount of $16,948,000. They mature December 1, 2041 and are amortized over a 40-year term with a simple interest rate of 6.34%. Payments of principal and interest are due and payable semi-annually on the first day of June and December.

California Housing Finance Agency ("CalHFA") Note - The note, dated December 1, 2000, in the original amount of $333,547, bears 0% interest. The outstanding principal amount is due 55 years following the effective date of the Regulatory Agreement.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
Series 1999A Bonds	$ 90,201	$ 13,413,000	$ 13,503,201	$ 410,201
CalHFA Note	-	333,547	333,547	-
Subtotal	90,201	13,746,547	13,836,748	410,201
Less unamortized permanent loan costs	-	(374,480)	(374,480)	-
Total	$ 90,201	$ 13,372,067	$ 13,462,268	$ 410,201

Klamath Associates L.P.

Long-term debt

Citibank Loan - The loan with an original amount of $750,000, bears an adjustable interest rate and is payable in monthly installments of $5,045, that was reduced to $5,007, until maturity in May 2027. Interest was adjusted in June 2017 to 6.58% and calculated by applying 2.42% over the average monthly 10-year treasury constant maturity yield, not to exceed 12.42% per annum or to fall below 6.42%.

City of Santa Clara Note (Successor Agency to the Redevelopment Agency of the City of Santa Clara) - The note bears simple interest at 6% and is due in full in February 2025. Annual payments of principal and interest are payable from excess/distributable cash.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
Citibank Loan	$ 1,498	$ 273,141	$ 274,639	$ 44,900
City of Santa Clara Note	926,255	681,176	1,607,431	25,177
Subtotal	927,753	954,317	1,882,070	70,077
Less unamortized permanent loan costs	-	(9,653)	(9,653)	-
Total	$ 927,753	$ 944,664	$ 1,872,417	$ 70,077

Poco Way HDC, Inc.

Buena Vista Mobile Home Park Property Acquisition and Lease

In September 2017, Poco Way HDC, Inc. acquired the property known as Buena Vista for $40.4 million and entered into loans with the Authority in the amount of $26 million and with the City of Palo Alto in the amount of $14.5 million. Pursuant to the Memorandum of Understanding by and among the County of Santa Clara, the City of Palo Alto, and the Authority, Poco Way HDC, Inc. intends to preserve Buena Vista as a mobile home park, or equivalent, for up to 50 years. Poco Way HDC, Inc. expects to complete major improvements and renovations to the property as funding becomes available. Effective November 1, 2019, Poco Way HDC leased a portion of the Buena Vista land directly to tenants.

Long-term debt

City of Palo Alto Note - The note bears 3% simple interest, payable from excess/distributable cash, to be repaid in full by September 2092. Interest shall not begin to accrue until the earlier of (i) the date that major improvements to Buena Vista are complete or (ii) September 29, 2023.

County of Santa Clara Note - The note bears 3% simple interest, payable from excess/distributable cash, to be repaid in full by September 2092. Interest shall not begin to accrue until the earlier of (i) the date that major improvements to Buena Vista are complete or (ii) September 29, 2027.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
City of Palo Alto Note	$ -	$ 14,500,000	$ 14,500,000	$ -
County of Santa Clara Note	-	14,500,000	14,500,000	-
Total	$ -	$ 29,000,000	$ 29,000,000	$ -

Rotary Plaza/HACSC HDC, Inc. (Morrone Garden Apartments)

Ground lease

On April 19, 2013, Rotary Plaza/HACSC HDC, Inc. assumed the 60-year ground lease agreement entered into by Morrone Gardens Associates and the Authority on July 22, 1994, for the land on which the Morrone Gardens Apartments (the project) was built. The annual rent is $20,000 and is payable to the extent of surplus cash. Any unpaid rent accrues interest at 7% compounded annually and is payable in subsequent years from surplus cash.

Long-term debt

California Community Reinvestment Corporation Note ("CCRC") Note - The note is dated September 23, 1994, in the original amount of $2,982,000, is secured by the Morrone Gardens Apartment building, bears interest at 6.5% per annum and is payable in monthly payment of principal and interest of $19,688 until maturity on October 1, 2024. This note was assumed by Rotary Plaza/HACSC HDC, Inc. at the time it acquired the project, on April 19, 2013.

County of Santa Clara Note - The note bears simple interest at 6% per annum, due in full in July 2033.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
CCRC Note	$ 3,303	$ 609,851	$ 613,154	$ 205,878
County of Santa Clara Note	105,990	95,000	200,990	-
Subtotal	109,293	704,851	814,144	205,878
Less unamortized permanent loan costs	-	(7,792)	(7,792)	-
Total	$ 109,293	$ 697,059	$ 806,352	$ 205,878

San Pedro Gardens Associates, Ltd.

Ground lease

The Partnership leases the land on which the San Pedro Gardens Project was built from the Authority. The lease ends in 2056 and requires an annual payment of $10,000, which is payable from excess/distributable cash. The unpaid rent accrues interest at 8% compounded annually.

Long-term debt

Citibank (Serviced by Berkadia Commercial Mortgage) Loan - The original loan amount of $337,400, bears interest at 2% per annum per annum and is payable in monthly installments of $1,520.

State of California, Department of Housing and Community Development Rental Housing Construction Program (RHCP) Loan - The loan bears simple interest at 3% and is due in full in January 2047. Annual payments of principal and interest are payable from excess/distributable cash.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
Citibank Loan	$ -	$ 19,674	$ 19,674	$ 18,146
RHCP Loan	1,013,160	1,489,500	2,502,660	-
Subtotal	1,013,160	1,509,174	2,522,334	18,146
Less unamortized permanent loan costs	-	(1,502)	(1,502)	-
Total	$ 1,013,160	$ 1,507,672	$ 2,520,832	$ 18,146

S.P.G. Housing, Inc. (DeRose Gardens Apartments)

Ground lease

S.P.G. Housing, Inc. subleases the land on which DeRose Senior Housing was built from the Authority. The sublease ends in year 2028 and requires a monthly base payment of $5,500 which is subject to annual increases and an annual payment of $66,000, which is payable from distributable cash. The unpaid rent accrues without interest.

Long-term debt

Citibank Loan - The loan in the original amount of $1,015,000, bears an adjustable interest rate (currently 3.91% per annum), is payable in monthly installments of $6,079 and is due in full in October 2026.

City of San Jose Note - The note bears interest at 8% compounded annually and is to be repaid in full in December 2020. Any unpaid balance for the year is to be added to the maximum annual payment of the following year. The terms of the loan were amended in 2007 from which date the loan shall not accrue interest and the accumulated interest on the loan was forgiven as part of the amendment. The loan has not been paid off as of December 31, 2021.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
Citibank Loan	$ 1,045	$ 320,813	$ 321,858	$ 62,548
City of San Jose Note	-	1,400,000	1,400,000	1,400,000
Total	$ 1,045	$ 1,720,813	$ 1,721,858	$ 1,462,548

B. Discretely Presented Component Units

Bendorf Drive LP

Organization

Bendorf Drive LP, a California limited partnership (“Bendorf”), was formed on February 7, 2013 to acquire, rehabilitate and operate a 100-unit affordable housing complex located in San Jose, California, which is currently operating under the name of Villa San Pedro Apartments. On December 19, 2013, the project was acquired from its general partner, Villa San Pedro HDC, Inc. Bendorf is controlled by its general partner, Villa San Pedro HDC, Inc. (0.009%). The Authority, the initial limited partner, transferred its partnership interest to RSEP Holding, LLC, the limited partner, and Red Stone Equity Manager, LLC, the special limited partner, on December 1, 2013. RESP Holding, LLC and Red Stone Equity Manager, LLC assigned its partnership interest to Red Stone VS Pedro, LLC (99.99%) and Red Stone Equity Manager 2, LLC (0.001%), respectively, on February 14, 2014.

Long-term debt

HDC California Housing Rehabilitation Program (CHRP) Loan - The loan bears simple interest at 3%, with an annual payment of 0.42% of the unpaid principal amount, and the remaining 2.58% interest to be paid from excess/distributable cash after the transition reserve account is fully funded. The entire principal and interest are due in December 2068.

CalHFA Acquisition/Rehabilitation and Permanent Loan - The loan is 50% insured by HUD through the Federal Housing Administration under Section 542(c) of the Housing and Community Development Act of 1992, in the maximum amount of $20,215,000. The loan bears simple interest at 4% with interest-only payments due monthly until conversion in October 2015, at which time, $11,710,000 was converted to a 30-year amortizing loan with interest at 5.75%. Payments and interest are duly monthly, with the entire principal and interest due in full in October 2045.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
CHRP Loan	$ 3,758	$ 3,905,723	$ 3,909,481	$ 521,873
CalHFA Loan	50,990	10,641,453	10,692,443	264,536
Subtotal	54,748	14,547,176	14,601,924	786,409
Less unamortized permanent loan costs	-	(244,387)	(244,387)	-
Total	$ 54,748	$ 14,302,789	$ 14,357,537	$ 786,409

Branham Lane LLC

Organization

Branham Lane LLC, a California limited liability company ("Branham"), was formed on April 1, 2014 to acquire and operate a 51-unit affordable housing complex located in San Jose, California, which is currently operating under the name of Pinmore Gardens. Branham is controlled by its sole member, S.P.G. Housing, Inc.

Long-term debt

Citibank Loan - The loan originally amounting to $1,976,000 bears interest at 5.65% per annum and is payable in monthly installments of $12,342. The loan is due in full in January 2026. An interest rate adjustment will occur in February 2021.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
Citibank Loan	$ 7,274	$ 542,371	$ 549,645	$ 132,000
Less unamortized permanent loan costs	-	(34,434)	(34,434)	-
Total	$ 7,274	$ 507,937	$ 515,211	$ 132,000

Clarendon Street, L.P.

Organization

Clarendon Street, L.P., a California limited partnership ("Clarendon"), was formed on June 28, 2012 to acquire, rehabilitate and operate a 80-unit affordable housing complex located in San Jose, California, which is currently operating under the name of Villa Garcia Apartments. On November 8, 2012, the project was acquired from its general partner, Villa Garcia, Inc. Clarendon is controlled by its general partner, Villa Garcia, Inc. The Authority, the initial limited partner, transferred its partnership interest to MCCC, LLC on November 1, 2012. MCCC, LLC assigned its partnership interest to Merritt Community Capital Fund XV, L.P. on April 10, 2013.

Long-term debt

Bank of the West as the servicer of the HACSC Multifamily Note ("Tranche A") - The note, in the original amount of $4,725,000, bears interest at 3.96%, with interest payments only due monthly commencing December 2012. Beginning in May 2014, monthly payments of principal and interest are due based on a 25-year loan amortization, with the entire principal and interest due based on an 11-year loan amortization and due May 2030.

Bank of the West, as the servicer of the HACSC Multifamily Note ("Tranche B") - The note, in the original amount of $2,132,000, bears interest at 2.80%, with interest only payments due monthly commencing December 2012. Beginning in May 2014, monthly payments of principal and interest are due based on an 11-year loan amortization, with the entire principal and interest due in May 2025.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
Bank of the West (Tranche A)	$ 12,320	$ 3,734,246	$ 3,746,566	$ 165,271
Bank of the West (Tranche B)	1,672	716,988	718,660	209,683
Subtotal	13,992	4,451,234	4,465,226	374,954
Less unamortized permanent loan costs	-	(63,217)	(63,217)	-
Total	$ 13,992	$ 4,388,017	$ 4,402,009	$ 374,954

Fairground Luxury Family Apartments, L.P.

Organization

Fairground Luxury Family Apartments, L.P., a California limited partnership ("Fairground Family"), was formed on January 14, 2003 to construct and operate a 300-unit affordable housing complex located in San Jose, California, which is currently operating under the name of Corde Terra Family Apartments. The Fairground Family's managing general partner is Pinmore HDC, Inc., the co-general partner is ROEM Fairgrounds Family, LLC, the special limited partner is Hudson SLP, LLC and the investor limited partner is Hudson Fairgrounds ROEM, LLC.

Long-term debt

California Housing Finance Authority (CalHFA) - On December 17, 2003, CalHFA made a construction loan to the partnership in principal amount of $40,405,000, which converted to a permanent loan of $24,235,000 on February 1, 2008. The permanent loan is secured by a deed of trust, bears interest at a fixed rate of 5.7% per annum, is payable in monthly installments of principal and interest of $128,312 and matures February 1, 2048.

City of San Jose Loan - On September 1, 2005, the City of San Jose made a construction loan and permanent loan to the partnership in the amount of up to $19,235,050 during the construction period and up to $21,084,426 for the period of time after the construction loan period. On February 1, 2008, the City of San Jose Loan was converted to a permanent loan. The loan is secured by a deed of trust, bears interest at a fixed rate of 4% per annum, payable out of available cash flow (as defined in the loan agreement) and matures March 1, 2046.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
CalHFA Loan	$ 106,506	$ 20,912,594	$ 21,019,100	$ 463,456
City of San Jose Note	2,962,293	17,245,082	20,207,375	-
Subtotal	3,068,799	38,157,676	41,226,475	463,456
Less unamortized permanent loan costs	-	(107,679)	(107,679)	-
Total	$ 3,068,799	$ 38,049,997	$ 41,118,796	$ 463,456

Fairgrounds Senior Housing, L.P.

Organization

Fairgrounds Senior Housing, L.P., a California limited partnership ("Fairgrounds Senior"), was formed on May 14, 2007 to construct and operate a 201-unit affordable housing project located in San Jose, California, which is currently operating under the name of Fairgrounds Senior Housing Apartments. The Fairground Senior's managing general partner is Pinmore HDC, Inc., the co-general partner is ROEM FG Senior, LLC, the investor limited partner is Alliant Tax Credit Fund 52, Ltd., a Florida limited partnership, and the administrative limited partner is Alliant ALP 52, LLC, a Florida limited liability company.

Long-term debt

City of San Jose issued Multifamily Housing Revenue Bonds - On May 8, 2008, the bonds, secured by the property, were issued in the amount of $26,000,000, to provide financing for the Fairgrounds Senior Housing Apartments project. Citicorp Municipal Mortgage Inc. provided notes collateralized by the bond issue. The notes bear interest at a variable rate equal to SIFMA plus 150 basis points during the first 24 months of the interim phase, a 5.5% fixed interest rate for the remaining six months of the interim phase and a 5.5% fixed interest rate during the permanent phase. The bonds mature July on 12, 2040.

City of San Jose Loan - The loan, dated May 1, 2008, is secured by a deed of trust, in the amount of up to $12,300,000. The loan bears interest at a fixed rate of 4% per annum and is payable out of available cash flow, as defined in the loan agreement. The loan matures on July 12, 2040.

County of Santa Clara Note - The Note, in the amount of $1,475,000, is secured by a deed of trust, bears interest at 4% per annum until this project has obtained a notice of completion, and at 3% per annum thereafter until May 1, 2063, (55 years from the date of completion). Annual payments of principal and interest are contingent on available residual receipts, as defined in the note.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
City of San Jose Revenue Bonds	$ 55,550	$ 10,120,000	$ 10,175,550	$ 270,550
City of San Jose Note	121,417	6,535,176	6,656,593	-
County of Santa Clara Note	9,540	195,058	204,598	-
Subtotal	186,507	16,850,234	17,036,741	270,550
Less unamortized permanent loan costs	-	(298,366)	(298,366)	-
Total	$ 186,507	$ 16,551,868	$ 16,738,375	$ 270,550

Halford Avenue LLC

Organization

Halford Avenue LLC was formed as a limited liability company on May 13, 2014, to acquire and operate a 10-unit affordable housing complex located in the City of Santa Clara, California, operating under the name of Eklund Gardens I. The company is owned by its sole member, S.PG. Housing, Inc., which is a nonprofit organization affiliated with the Authority.

Ground lease

Halford Avenue LLC has a land lease agreement from the Authority, which expires in 2069. Rent for the lease is equal to $1 annually. The rent has been set at a nominal amount for the specific purpose of assisting the lessee to operate and maintain its project as an affordable housing complex in accordance with the terms and other requirements as specified in the ground lease agreement.

Long-term debt

At December 31, 2021, Halford Avenue LLC does not have unaffiliated long-term debt.

Hermocilla LLC

Organization

Hermocilla LLC, a California limited liability company, was formed on July 29, 2015 to acquire and operate a 100-unit affordable senior housing complex located in San Jose, California, which is currently operating under the name of Villa Hermosa Apartments (the Project). The Project was placed in service in July 1999. Hermocilla LLC is controlled by its sole member, DeRose HDC, Inc., which is a California nonprofit public benefit corporation affiliated with the Authority. On August 3, 2015, Hermocilla LLC acquired the Project from Thunderbird Associates (Thunderbird) and assumed its liabilities.

Long-term debt

Citibank Loan - The loan originally amounting to $2,525,000 bears variable interest at 5.68% per annum and is payable in monthly installments of $14,260 and due in full in October 2029.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
Citibank Loan	$ 6,927	$ 1,151,238	$ 1,158,165	$ 134,867
Less unamortized permanent loan costs	-	(69,755)	(69,755)	-
Total	$ 6,927	$ 1,081,483	$ 1,088,410	$ 134,867

Huff Avenue LLC

Organization

Huff Avenue LLC, a limited liability company formed on July 3, 2014, to acquire and operate a 72-unit affordable housing complex located in San Jose, California, which is currently operating under the name of Huff Avenue Apartments (the project). The company is owned by its sole member Rotary Plaza/HACSC HDC, Inc., which is a nonprofit organization affiliated with the Authority.

Long-term debt

HUD Note – The note in the original amount of $9,000,000 is insured by HUD. It bears interest at 2.65% per annum, payable in monthly installments, due in full in September 2041.

City of San Jose Note - The note dated March 12, 1997, in the original amount of $989,181 is secured by Deed of Trust. It bears interest at 2.5% per annum compounded annually. Principal and accrued interest will be repaid annually in an amount of 75% of Net Cash Flow, which shall be applied first to reduce accrued interest, and then to reduce the outstanding principal amount. The remaining unpaid principal and accrued interest will be due on March 11, 2027. The note was paid off in August 2021.

ARCS Commercial Mortgage Co., L.P. (ARCS) Note - The note dated July 20, 2006, in the original amount of $3,969,000 is secured by the property. It bears interest at 6.685% per annum. Monthly payments of principal and interest in the amount of $25,572 are due until maturity on August 1, 2036. The note was paid off in 2021.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
HUD Note	$ 19,686	$ 8,914,381	$ 8,934,067	$ 367,884
Less unamortized permanent loan costs	-	(229,193)	(229,193)	-
Total	$ 19,686	$ 8,685,188	$ 8,704,874	$ 367,884

Julian Street Partners, L.P.

Organization

Julian Street Partners, L.P. ("Julian"), was formed on September 22, 2009 to acquire, rehabilitate, and operate six affordable housing complexes: Cypress Gardens (125 units in San Jose); Julian Gardens (9 units in San Jose); Lenzen Gardens (94 units in San Jose); Lucretia Gardens (16 units in San Jose); Miramar Way (16 units in Santa Clara); and Sunset Gardens (75 units in Gilroy). The partnership is controlled by its general partner, Avenida Espana HDC, Inc. The special limited partner is Columbia Housing SLP Corporation and the investor limited partner is PNC Real Estate Tax Credit Capital Institutional Fund 45 Limited Partnership.

Ground lease

Julian Street Partners, L.P.'s projects were built on land owned by and leased from the Authority, on a 75-year term, which expires in 2085. Under the terms of the lease, this partnership pays a rent of $1 per each site per year or $6 in the aggregate, and title to the improvements reverts to the lessor at the end of the lease.

Long-term debt

Series 2010A-1 Multifamily Housing Revenue Bonds issued by the Authority - The Series 2010A-1 bonds, with U.S. Bank as the trustee, consists of three bonds bearing a current aggregate interest rate of 4.31%. Interest only payments were due monthly until the loan was converted in June 2012 to a 15-year bond amortizing loan, with the entire principal and interest due in full in November 2027.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
Series 2010A-1 Bonds	$ 97,266	$ 9,055,000	$ 9,152,266	$ 1,392,266
Less unamortized permanent loan costs	-	(287,584)	(287,584)	-
Total	$ 97,266	$ 8,767,416	$ 8,864,682	$ 1,392,266

Laurel Grove Lane LP.

Organization

Laurel Grove Lane, L.P. (Laurel Grove), a California limited partnership, was formed on March 27, 2015 to develop, own and operate affordable housing complex located in San Jose, California, which is currently operating under the name of Laurel Grove Family Apartments. The project participates in the low-income housing tax credit program under section 42 of the IRS as modified by the State of California. The project was placed in service in October 2018. The Partnership is controlled by its general partner, Pinmore HDC, Inc. which is a nonprofit organization affiliated with the Authority.

Long-term debt

California Municipal Finance Agency ("CalMFA")/Citibank N.A. Loan - The loan, with original amount of $27,449,500, bears interest rate at 3.84% per annum. Payments of principal and interest in the amount of $125,529 are due monthly until maturity in December 2049.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
CalMFA/Citibank Loan	$ -	$ 26,392,202	$ 26,392,202	$ 538,294
Less unamortized permanent loan costs	-	(184,180)	(184,180)	-
Total	$ -	$ 26,208,022	$ 26,208,022	$ 538,294

McCreery Avenue L.P.

Organization

McCreery Avenue LP (the partnership), a California limited partnership, was formed on June 13, 2014 to develop and operate a 130-unit affordable housing complex located in San Jose, California, which is currently operating under the name of Poco Way Apartments (the Project). On February 20, 2015, the Project was acquired from an affiliate, Poco Way HDC, Inc., which is a nonprofit organization. A portion of the Project (9 of 21 buildings) was placed in service on various dates from August through December 2015. The rehabilitation of the rest of the Project was completed in June 2016. The Partnership is controlled by its general partner, Avenida Espana HDC, Inc. which is a nonprofit organization affiliated with the Authority. The project participates in the low-income housing tax credit program under Section 42 of the Internal Revenue Code as modified by the State of California. Various loan, regulatory and other agreements dictate the maximum income levels of new tenants and provide rent and other restrictions through 2071.

Long-term debt

Citibank, N.A Loan - As funding lender of the City of San Jose Multifamily Housing Revenue Note series 2015 A-1, in the maximum amount of $21,833,354, bears variable interest at 1.4% plus the 1-month LIBOR rate. Interest-only payments are due monthly until December 2016 when $11,525,000 is converted into a 30-year amortizing loan with interest at 3.95%.

City of San Jose Loan - The loan bears interest at 2.41% compounded annually, payable from excess/distributable cash, with entire principal and interest due in full in February 2070.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
Citibank Loan	$ 36,562	$ 10,435,974	$ 10,472,536	$ 285,093
City of San Jose Note	79,809	2,939,780	3,019,589	316,706
Subtotal	116,371	13,375,754	13,492,125	601,799
Less unamortized permanent loan costs	-	(213,255)	(213,255)	-
Total	$ 116,371	$ 13,162,499	$ 13,278,870	$ 601,799

Park Avenue Seniors LP.

Organization

Park Avenue Seniors, L.P., a California limited partnership was formed on March 27, 2015 to develop and operate affordable housing complex located in San Jose, California. Pinmore HDC, Inc. has 0.01% ownership interest in Park Avenue Senior, L.P.

Long-term debt

California Municipal Finance Agency ("CalMFA") Loan - The loan, in the original amount of $39,030,000, bears a variable interest rate. Payments of principal and interest are due every month with the entire principal and interest due in full in November 1, 2049.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
CalMFA/Citibank Loan	$ -	$ 19,761,453	$ 19,761,453	$ 290,526
Less unamortized permanent loan costs	-	(283,441)	$ (283,441)	-
Total	$ -	$ 19,478,012	$ 19,478,012	$ 290,526

Poinciana LLC

Organization

Poinciana LLC was formed as a limited liability company on May 13, 2014, to acquire and operate a 6-unit affordable housing complex located in the City of Santa Clara, California, operating under the name of Eklund Gardens II. The company is owned by its sole member, S.P.G. Housing, Inc., which is a nonprofit organization affiliated with the Authority.

Ground lease

Poinciana LLC has a land lease agreement from the Authority, which expires in 2069. Rent for the lease is equal to $1 annually. The rent has been set at a nominal amount for the specific purpose of assisting the lessee to operate and maintain its project as an affordable housing complex in accordance with the terms and other requirements as specified in the ground lease agreement.

Long-term debt

At December 31, 2020, Poinciana LLC does not have unaffiliated long-term debt.

Rincon Gardens Associates, L.P.

Organization

Rincon Gardens Associates, L.P., a California limited partnership ("Rincon Gardens"), was formed on April 1, 2008 to develop and operate a 200-unit affordable housing complex located in Campbell, California, which is currently operating under the name of Rincon Gardens Apartments. Rincon Gardens is controlled by its general partner, Avenida Espana HDC, Inc. Rincon Gardens' investor limited partner is PNC Multifamily Capital Institutional Fund XXXIX Limited Partnership and the special limited partner is Columbia Housing SLP Corporation.

Ground lease

Rincon Gardens Associates, L. P. leases land from the Authority on a 75- year term, which expires in 2083. Rent for the lease is equal to $1 annually. The rent has been set at a nominal amount for the specific purpose of assisting the lessee to operate and maintain its project as an affordable housing complex in accordance with the terms and other requirements as specified in the ground lease agreement.

Long-term debt

2008 Series A-1 and A-2 Multifamily Housing Revenue Bonds issued by the Authority - The bonds, in the maximum amount of $13,630,000 and $3,391,000, respectively, bear interest at 5.33% and 5.02%, respectively. Interest-only payments were due monthly until the conversion date in August 2010, at which time the Series A-1 loan was converted to a 30-year amortizing loan and the Series A-2 loan was converted to a 13- year amortizing loan.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
2008 Series A-1 and A-2 Bonds	$ 50,514	$ 11,408,836	$ 11,459,350	$ 725,592
Less unamortized permanent loan costs	-	(174,900)	(174,900)	-
Total	$ 50,514	$ 11,233,936	$ 11,284,450	$ 725,592

South Drive LLC

Organization

South Drive LLC a California limited liability company was formed on June 4, 2014, to acquire and operate a 72-unit affordable housing complex located in Santa Clara, California, which is currently operating under the name of Bracher Garden Apartments. The company is owned by its sole member, S.P.G. Housing, Inc., which is a nonprofit organization affiliated with the Authority. The project was operated by Bracher Associates until it was assumed by South Drive LLC on November 14, 2014.

Long-term debt

Citibank Loan - The loan originally amounting to $1,950,000 bears interest at 6.5% per annum is payable in monthly installments $12,736 until maturity in January 2026. The interest rate and monthly payment were adjusted to 4.125% in February 2016. The principal and interest were assigned to South Drive LLC in November 2014, as part of the transfer of the Bracher Senior Housing project from Bracher Associates L.P. to South Drive LLC.

City of Santa Clara Note (Successor Agency to the Redevelopment Agency of the City of Santa Clara) - The note bears simple interest at 6%, is payable from excess/distributable cash and is due in August 2024. The principal and interest were assigned to South Drive LLC in November 2014, as part of the transfer of the Bracher Senior Housing project from Bracher Associates L.P. to South Drive LLC.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
Citibank Loan	$ 1,767	$ 514,181	$ 515,948	$ 119,812
City of Santa Clara Note	82,633	1,550,000	1,632,633	320,192
Subtotal	84,400	2,064,181	2,148,581	440,004
Less unamortized permanent loan costs	-	(16,751)	(16,751)	-
Total	$ 84,400	$ 2,047,430	$ 2,131,830	$ 440,004

Willows/HACSC Associates

Organization

Willows/HACSC Associates, a California limited partnership (“Willows”), was formed on December 1, 1998 to develop and operate a 47-unit affordable housing complex, which is currently operating under the name of The Willows. Willows is controlled by its general partner, Pinmore HDC, Inc. On December 31, 2015, Willows’ limited partner is California Affordable Housing Fund 2000-I, LLC. On June 1, 2017, California Affordable Housing Fund 2000-1, LLC's limited partner (99.9%) interest was assigned to HACSC Housing Partners, LLC which in turn assigned its interest to Bracher HDC, Inc.

Long-term debt

Series 2005A Multifamily Housing Revenue Refunding Bonds issued by the Authority - The bonds, in the original amount of $4,284,000, bears a variable interest rate, to be repaid in full by April 2040. Payments of principal and interest, which are secured by a direct pay Letter of Credit issued by Union Bank of California, N.A. maturing April 1, 2040 are due every six months on June 1 and December 1.

LCD Note - The note, in the original amount of $427,000, is secured by the project and bears a simple interest rate at 2% per annum. It matures January 1, 2045 and is payable annually from residual receipts up to 50% of the excess cash.

	December 31, 2021			
	Interest Payable	Principal	Total	Amounts due within one year
Series 2005 Bonds	$ -	$ 3,491,000	$ 3,491,000	$ 89,000
LCD Note	-	-	-	-
Subtotal	-	3,491,000	3,491,000	89,000
Less unamortized permanent loan costs	-	(181,471)	(181,471)	-
Total	$ -	$ 3,309,529	$ 3,309,529	$ 89,000

Note 18 – Subsequent Event

On October 1, 2020, the Authority entered into a purchase agreement with Han's San Jose Hospitality LLC for the purchase of an office building at 3553 N. First Street, San Jose, CA. On September 28, 2022, the property was sold for a total selling price of $24.5 million.

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SANTA CLARA COUNTY HOUSING AUTHORITY
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
Last Eight Fiscal Years *

	Fiscal Year Ended June 30,							
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Measurement period	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	$ 2,061,356	$ 1,897,315	$ 1,942,195	$ 1,667,037	$ 1,681,600	$ 1,375,763	$ 1,327,942	$ 1,413,145
Interest on the total pension liability	5,253,573	4,909,723	4,635,577	4,244,612	4,010,164	3,735,363	3,522,787	3,356,632
Differences between expected and actual experience	634,367	(160,040)	1,708,139	203,993	400,225	(187,868)	(539,512)	-
Changes of assumptions	-	-	-	(463,355)	3,588,716	-	(932,527)	-
Benefit payments, including refunds of employee contributions	(2,623,533)	(2,805,163)	(2,316,995)	(2,261,652)	(2,030,601)	(1,959,484)	(1,856,519)	(2,064,928)
Net change in total pension liability	5,325,763	3,841,835	5,968,916	3,390,635	7,650,104	2,963,774	1,522,171	2,704,849
Total pension liability, beginning	73,123,267	69,281,432	63,312,516	59,921,881	52,271,777	49,308,003	47,785,832	45,080,983
Total pension liability, ending	**$ 78,449,030**	**$ 73,123,267**	**$ 69,281,432**	**$ 63,312,516**	**$ 59,921,881**	**$ 52,271,777**	**$ 49,308,003**	**$ 47,785,832**
Plan fiduciary net position								
Contributions, employer	$ 1,254,775	$ 1,144,719	$ 1,085,079	$ 11,802,799	$ 820,619	$ 772,938	$ 724,610	$ 824,681
Contributions, employee	983,068	889,791	909,487	800,615	714,664	680,032	654,082	670,406
Net investment income	19,372,907	4,119,116	5,079,282	5,688,032	6,350,608	268,603	1,237,885	8,433,099
Plan to plan resource movement	-	-	-	(183)	-	-	(10)	-
Benefit payments, including refunds of employee contributions	(2,623,533)	(2,805,163)	(2,316,995)	(2,261,652)	(2,030,601)	(1,959,484)	(1,856,519)	(2,064,928)
Administrative expenses	(86,371)	(117,336)	(56,041)	(97,836)	(84,177)	(34,913)	(64,468)	-
Other miscellaneous income/(expense)	-	-	183	(185,792)	-	-	-	-
Net change in plan fiduciary net position	18,900,846	3,231,127	4,700,995	15,745,983	5,771,113	(272,824)	695,580	7,863,258
Plan fiduciary net position, beginning	86,462,801	83,231,674	78,530,679	62,784,696	57,013,583	57,286,407	56,590,827	48,727,569
Plan fiduciary net position, ending	**$ 105,363,647**	**$ 86,462,801**	**$ 83,231,674**	**$ 78,530,679**	**$ 62,784,696**	**$ 57,013,583**	**$ 57,286,407**	**$ 56,590,827**
Plan net pension liability (asset)	**$ (26,914,617)**	**$ (13,339,534)**	**$ (13,950,242)**	**$ (15,218,163)**	**$ (2,862,815)**	**$ (4,741,806)**	**$ (7,978,404)**	**$ (8,804,995)**
Plan fiduciary net position as a percentage of the total pension liability (asset)	**134.3%**	**118.2%**	**120.1%**	**124.0%**	**104.8%**	**109.1%**	**116.2%**	**118.4%**
Covered payroll	**$ 14,003,777**	**$ 12,845,735**	**$ 12,982,590**	**$ 10,764,103**	**$ 10,830,164**	**$ 9,799,581**	**$ 9,296,061**	**$ 9,370,369**
Plan net pension liability (asset) as a percentage of covered payroll	**-192.2%**	**-103.8%**	**-107.5%**	**-141.4%**	**-26.4%**	**-48.4%**	**-85.8%**	**-94.0%**

Note to schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2020 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: During measurement period 2014, the discount rate was 7.50%. During measurement period 2015, the discount rate was increased from 7.50 percent to 7.65 percent. There was no change in discount rate during measurement period 2016. During measurement period 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. During measurement period 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no change in assumptions during measurement periods 2019, 2020 and 2021.

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only eight years of information is shown.

SANTA CLARA COUNTY HOUSING AUTHORITY
Required Supplementary Information (Unaudited)
Schedule of Pension Contributions
Last Nine Fiscal Years *

Miscellaneous Plan	**Fiscal Year Ended June 30**								
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Actuarially determined contributions (ADC)	$ 1,303,721	$ 1,254,775	$ 1,144,719	$ 1,085,079	$ 907,800	$ 820,619	$ 772,938	$ 724,610	$ 824,681
Contributions in relation to the ADC	(1,303,721)	(1,254,775)	(1,144,719)	(1,085,079)	(11,802,799)	(820,619)	(772,938)	(724,610)	(824,681)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$(10,894,999)	$ -	$ -	$ -	$ -
Covered payroll	$ 15,796,851	$ 14,003,777	$ 12,845,735	$ 12,982,590	$ 10,764,103	$ 10,830,164	$ 9,799,581	$ 9,296,061	$ 9,370,369
Contributions as a percentage of covered payroll	8.25%	8.96%	8.91%	8.36%	109.65%	7.58%	7.89%	7.79%	8.80%

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2022 were as follows:

ADC for fiscal year	June 30, 2022
Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Actuarial value of assets
Inflation	2.50%
Salary increases	Varies by entry age and services
Payroll growth	2.75%
Investment rate of return	7.00%, net of pension plan investment and administrative expenses, includes inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates includes 15 years of projected mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries.

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only nine years of information is shown.

SANTA CLARA COUNTY HOUSING AUTHORITY
Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios
Last Five Fiscal Years *

	Fiscal Year Ended June 30,				
	2022	**2021**	**2020**	**2019**	**2018**
Measurement period	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	$ 471,604	$ 457,868	$ 440,022	$ 426,170	$ 237,588
Interest on the total OPEB liability	654,866	623,604	684,323	654,776	730,136
Change in benefit terms	1,441,110	-	-	-	-
Differences between expected and actual experience	(867,936)	-	(1,437,355)	-	(1,983,828)
Changes of assumptions	(613,994)	-	(286,621)	-	2,479,214
Benefit payments, including refunds of employee contributions	(556,853)	(496,779)	(547,592)	(567,588)	(623,707)
Net change in total OPEB liability	528,797	584,693	(1,147,223)	513,358	839,403
Total OPEB liability, beginning	11,713,474	11,128,781	12,276,004	11,762,646	10,923,243
Total OPEB liability, ending	**$ 12,242,271**	**$ 11,713,474**	**$ 11,128,781**	**$ 12,276,004**	**$ 11,762,646**
Plan fiduciary net position					
Contributions, employer	$ 556,853	$ 496,779	$ 547,592	$ 3,181,040	$ 1,058,897
Net investment income	2,932,805	766,326	929,536	605,459	663,997
Benefit payments, including refunds of employee contributions	(556,853)	(496,779)	(547,592)	(567,588)	(623,707)
Administrative expenses	(5,430)	(6,986)	(2,847)	(5,922)	(4,907)
Other expenses	-	-	-	(13,275)	-
Net change in plan fiduciary net position	2,927,375	759,340	926,689	3,199,714	1,094,280
Plan fiduciary net position, beginning	14,922,847	14,163,507	13,236,818	10,037,104	8,942,824
Plan fiduciary net position, ending	**$ 17,850,222**	**$ 14,922,847**	**$ 14,163,507**	**$ 13,236,818**	**$ 10,037,104**
Plan net OPEB liability (asset)	**$ (5,607,951)**	**$ (3,209,373)**	**$ (3,034,726)**	**$ (960,814)**	**$ 1,725,542**
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	**145.8%**	**127.4%**	**127.3%**	**107.8%**	**85.3%**
Covered payroll	**$ 14,248,788**	**$ 13,335,529**	**$ 13,347,908**	**$ 12,060,330**	**$ 11,058,300**
Plan net OPEB liability (asset) as a percentage of covered payroll	**-39.4%**	**-24.1%**	**-22.7%**	**-8.0%**	**15.6%**

Note to schedule:

Changes of Assumptions: During measurement period 2019, the inflation rate was reduced from 2.75 percent to 2.50 percent while the salary increase decreased from 3.25 percent to 3.0 percent. Demographic assumptions were change in accordance to the 2017 CalPERS Experience Study. There was no change in assumptions during measurement period 2020. During measurement year 2021, healthcare cost trend rates were adjusted

* Fiscal year ended June 30, 2018 was the first year of implementation of GASB Statement No. 75, therefore only five years of information is shown.

SANTA CLARA COUNTY HOUSING AUTHORITY
Required Supplementary Information (Unaudited)
Schedule of OPEB Contributions
Last Five Fiscal Years *

OPEB Plan

Fiscal year ended June	2022	2021	2020	2019	2018
Actuarially determined contributions (ADC)	$ 223,697	$ 226,273	$ 229,107	$ 390,670	$ 594,813
Contributions in relation to the ADC	(507,201)	(556,853)	(496,779)	(547,592)	(3,181,040)
Contribution deficiency (excess)	**$ (283,504)**	**$ (330,580)**	**$ (267,672)**	**$ (156,922)**	**$ (2,586,227)**
Covered payroll	$ 15,796,851	$ 14,248,788	$ 13,335,529	$ 13,347,908	$ 12,060,330
Contributions as a percentage of covered payroll	3.21%	3.91%	3.73%	4.10%	26.38%

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2022 were as follows:

ADC for fiscal year	June 30, 2022
Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal Cost, level percent of pay
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	5.50%
Healthcare cost trend rates	Medical premium: Healthcare cost trend rate of 6.5% for initial year, fluctuating down to 4.0% in 2076 PMEHCA: 4.0% Dental and vision premium: 3.5%
Mortality	Derived using CalPE Derived using CalPE Derived using CalPERS' Membership Data for all Funds
	Demographic actuarial assumptions used are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015, except for the MacLeod Watts Scale 2020 applied generationally from 2015 as the basis to project future morality improvements. The representative mortality rates were those published by CalPERS, adjusted to back out 15 years of Scale MP-2016 to central year 2015.

* Fiscal year ended June 30, 2018 was the first year of implementation of GASB Statement No. 75, therefore only five years of information is shown.

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Combining Statement of Net Position - Discretely Presented Component Units
December 31, 2021

	Bendorf Drive L.P. (1)	Branham Lane LLC (1)	Clarendon Street, L.P. (1)	Fairground Luxury Family Apartments, L.P. (1)	Fairground Senior Housing, L.P. (1)	Halford LLC (2)	Hermocilla LLC (1)	Huff Avenue LLC (1)	Julian Street Partners, L.P. (1)	Laurel Grove Lane, L.P. (1)
Assets:										
Current assets:										
Cash:										
Unrestricted	$ 654,446	$ 212,300	$ 615,645	$ 2,568,009	$ 3,221,013	$ 280,481	$ 898,696	$ 634,715	$ 4,112,330	$ 293,322
Tenant security deposits	46,580	30,677	59,987	272,332	149,233	2,800	60,927	66,120	191,254	106,088
Total cash	701,026	242,977	675,632	2,840,341	3,370,246	283,281	959,623	700,835	4,303,584	399,410
Accounts receivable:										
Tenants	16,450	4,739	20,898	53,498	56,370	-	60	54,926	9,303	27,317
HUD	1,004	3,451	3,143	-	-	-	438	88	33,682	65,519
Others	3,078	12,155	3,048	-	-	117	6,830	5,979	15,278	54,408
Total accounts receivable, net	20,532	20,345	27,089	53,498	56,370	117	7,328	60,993	58,263	147,244
Prepaid expenses	22,822	15,176	34,606	162,349	83,385	2,668	13,220	23,049	86,558	78,490
Restricted cash and cash equivalents	2,381,758	157,278	972,520	1,447,735	2,844,591	45,037	51,000	6,858,518	3,841,824	770,849
Total current assets	3,126,138	435,776	1,709,847	4,503,923	6,354,592	331,103	1,031,171	7,643,395	8,290,229	1,395,993
Noncurrent assets:										
Prepaid costs, net	19,782	-	10,181	-	20,861	-	-	-	3,333	42,764
Capital assets:										
Nondepreciable	3,779,006	1,697,718	212,624	40,077	-	17,929	1,525,919	3,044,576	-	2,731,360
Depreciable	29,085,615	1,934,099	18,411,292	45,624,476	24,067,208	1,915,402	1,889,090	3,682,772	55,323,598	49,638,592
Total capital assets	32,864,621	3,631,817	18,623,916	45,664,553	24,067,208	1,933,331	3,415,009	6,727,348	55,323,598	52,369,952
Total noncurrent assets	32,884,403	3,631,817	18,634,097	45,664,553	24,088,069	1,933,331	3,415,009	6,727,348	55,326,931	52,412,716
Total assets	36,010,541	4,067,593	20,343,944	50,168,476	30,442,661	2,264,434	4,446,180	14,370,743	63,617,160	53,808,709
Liabilities:										
Current liabilities:										
Accounts payable	169,768	70,016	54,695	1,024,960	770,463	17,848	72,256	129,170	313,132	130,492
Payable to related parties	-	-	6,150	523,395	828,816	223	-	-	21,855	-
Due to primary government	1,395	40,023	546,502	15,659	23,970	82,037	10,965	11,624	3,180,041	3,374
Tenant security deposits	46,580	30,677	59,987	270,051	147,196	2,800	60,918	66,120	191,175	106,075
Unearned revenues	17,181	10,476	3,381	4,419	22,900	-	4,519	40,703	27,521	24,910
Interest payable	54,748	7,274	13,992	106,506	55,550	-	6,927	19,686	97,266	-
Current portion of long-term obligations	731,661	124,726	360,962	356,950	215,000	-	127,940	348,198	1,295,000	538,294
Total current liabilities	1,021,333	283,192	1,045,669	2,301,940	2,063,895	102,908	283,525	615,501	5,125,990	803,145
Noncurrent liabilities:										
Interest payable, net of current portion	-	-	-	2,962,293	130,957	-	-	-	-	-
Long-term obligations, net of current portion	13,571,128	383,211	4,027,055	37,693,047	16,336,868	-	953,543	8,336,990	7,472,416	25,669,728
Advance from primary government	13,972,762	2,763,586	6,292,590	-	-	1,955,685	-	-	18,744,639	11,025,723
Total noncurrent liabilities	27,543,890	3,146,797	10,319,645	40,655,340	16,467,825	1,955,685	953,543	8,336,990	26,217,055	36,695,451
Total liabilities	28,565,223	3,429,989	11,365,314	42,957,280	18,531,720	2,058,593	1,237,068	8,952,491	31,343,045	37,498,596
Net position:										-
Net investment in capital assets	7,479,085	532,424	7,562,879	7,614,556	7,515,340	(104,420)	2,333,526	3,649,222	25,967,337	17,780,339
Restricted	2,381,758	157,278	972,520	1,447,735	2,844,591	45,037	51,000	1,251,456	3,841,824	770,849
Unrestricted (deficits)	(2,415,525)	(52,098)	443,231	(1,851,095)	1,551,010	265,224	824,586	517,574	2,464,954	(2,241,075)
Total net position	$ 7,445,318	$ 637,604	$ 8,978,630	$ 7,211,196	$ 11,910,941	$ 205,841	$ 3,209,112	$ 5,418,252	$ 32,274,115	$ 16,310,113

(1) Component unit was audited by other auditors.
(2) Component unit was audited by other auditors as a subsidiary of the S.P.G. Housing, Inc.

(Continued)

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Combining Statement of Net Position - Discretely Presented Component Units (Continued)
December 31, 2021

	McCreery Avenue L.P. (1)	Park Avenue Seniors, L.P. (1)	Poinciana LLC (2)	Rincon Gardens Associates, L.P. (1)	South Drive LLC (1)	Willows HACSC Associates (1)	Elimination/ Adjustment	Total
Assets:								
Current assets:								
Cash:								
Unrestricted	$ 529,543	$ 1,073,097	$ 143,108	$ 2,304,426	$ 378,785	$ 226,163	$ -	$ 18,146,079
Tenant security deposits	113,609	95,000	6,000	74,757	56,425	43,621	-	1,375,410
Total cash	643,152	1,168,097	149,108	2,379,183	435,210	269,784	-	19,521,489
Accounts receivable:								
Tenants	11,378	1,330	-	-	1	8,378	-	264,648
HUD	15	8,212	-	-	40	115	-	115,707
Others	7,363	1,016	225	2,839	264	1,403	-	114,003
Total accounts receivable, net	18,756	10,558	225	2,839	305	9,896	-	494,358
Prepaid expenses	43,263	52,668	3,404	79,128	10,667	45,243	-	756,696
Restricted cash and cash equivalents	720,768	646,252	27,022	2,495,628	93,106	580,604	-	23,934,490
Total current assets	1,425,939	1,877,575	179,759	4,956,778	539,288	905,527	-	44,707,033
Noncurrent assets:								
Prepaid costs, net	33,884	102,891	-	-	-	1,104,654	-	1,338,350
Capital assets:								
Nondepreciable	1,536,356	6,435,756	-	-	1,857,880	-	(946,255)	21,932,946
Depreciable	35,154,136	58,161,651	1,134,050	29,614,476	2,234,034	1,324,302	(19,553,383)	339,641,410
Total capital assets	36,690,492	64,597,407	1,134,050	29,614,476	4,091,914	1,324,302	(20,499,638)	361,574,356
Total noncurrent assets	36,724,376	64,700,298	1,134,050	29,614,476	4,091,914	2,428,956	(20,499,638)	362,912,706
Total assets	38,150,315	66,577,873	1,313,809	34,571,254	4,631,202	3,334,483	(20,499,638)	407,619,739
Liabilities:								
Current liabilities:								
Accounts payable	144,094	108,261	9,771	128,929	34,498	56,382	-	3,234,735
Payable to related parties	-	10,000	172	14,257	-	-	-	1,404,868
Due to primary government	132,086	664,064	137,205	1,715,489	10,739	93,980	-	6,669,153
Tenant security deposits	112,727	97,000	6,000	74,600	56,417	44,496	-	1,372,819
Unearned revenues	3,928	40,330	2,686	1,544	2,186	8,413	-	215,097
Interest payable	116,371	-	-	50,514	84,400	-	-	613,234
Current portion of long-term obligations	485,428	290,526	-	675,078	355,604	89,000	-	5,994,367
Total current liabilities	994,634	1,210,181	155,834	2,660,411	543,844	292,271	-	19,504,273
Noncurrent liabilities:								
Interest payable, net of current portion	-	-	-	-	-	-	-	3,093,250
Long-term obligations, net of current portion	12,677,071	19,187,486	-	10,558,858	1,691,826	3,220,529	-	161,779,756
Advance from primary government	12,128,470	26,373,967	732,991	14,040,656	-	154,741	-	108,185,810
Total noncurrent liabilities	24,805,541	45,561,453	732,991	24,599,514	1,691,826	3,375,270	-	273,058,816
Total liabilities	25,800,175	46,771,634	888,825	27,259,925	2,235,670	3,667,541	-	292,563,089
Net position:		-						
Net investment in capital assets	12,581,346	24,790,408	266,741	3,600,755	2,044,484	(1,985,227)	(20,499,638)	101,129,157
Restricted	720,768	646,252	27,022	2,495,628	93,106	580,604	-	18,327,428
Unrestricted (deficits)	(951,974)	(5,630,421)	131,221	1,214,946	257,942	1,071,565	-	(4,399,935)
Total net position	$ 12,350,140	$ 19,806,239	$ 424,984	$ 7,311,329	$ 2,395,532	$ (333,058)	$ (20,499,638)	$ 115,056,650

(1) Component unit was audited by other auditors.
(2) Component unit was audited by other auditors as a subsidiary of the S.P.G. Housing, Inc.

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Combining Statement of Revenues, Expenses and Changes in Net Position - Discretely Presented Component Units
For Year Ended December 31, 2021

	Bendorf Drive L.P. (1)	Branham Lane LLC (1)	Clarendon Street, L.P. (1)	Fairground Luxury Family Apartments, L.P. (1)	Fairground Senior Housing, L.P. (1)	Halford LLC (2)	Hermocilla LLC (1)	Huff Avenue LLC (1)	Julian Street Partners, L.P. (1)	Laurel Grove Lane, L.P. (1)
Operating revenues:										
Rental income	$ 2,327,759	843,285	$ 2,070,960	$ 6,789,847	$ 5,460,216	$ 358,776	$ 1,463,965	$ 1,785,820	$ 9,387,438	$ 2,617,037
Tenant revenue - other	17,915	-	10,072	8,955	-	-	-	-	-	-
Donation and other	7,847	24,328	863	6,586	17,535	5,468	11,827	14,745	26,282	40,262
Total operating revenues	2,353,521	867,613	2,081,895	6,805,388	5,477,751	364,244	1,475,792	1,800,565	9,413,720	2,657,299
Operating expenses:										
Administrative	278,509	203,131	347,813	105,216	38,861	50,321	267,183	320,807	1,124,059	404,921
Utilities	126,634	69,152	88,410	517,550	288,417	13,425	145,197	106,617	497,099	205,801
Maintenance and operations	355,815	229,135	398,663	1,180,645	245,990	78,214	322,477	287,967	1,105,278	332,221
Marketing and leasing	1,514	-	3,605	-	88	-	-	-	3,479	-
Insurance and taxes	105,654	60,293	75,869	179,563	74,411	13,337	78,652	108,331	249,520	121,441
Other general expenses	40,040	-	-	297,960	473,594	-		-	-	-
Depreciation and amortization	1,032,488	159,659	636,743	1,951,026	1,027,177	151,033	362,819	242,051	2,131,091	1,442,468
Total operating expenses	1,940,654	721,370	1,551,103	4,231,960	2,148,538	306,330	1,176,328	1,065,773	5,110,526	2,506,852
Operating income (loss)	412,867	146,243	530,792	2,573,428	3,329,213	57,914	299,464	734,792	4,303,194	150,447
Nonoperating revenues (expenses):										
Investment income	5,769	15	571	23,897	859	104	119	272	786	96
Interest expense	(1,192,134)	(71,080)	(345,603)	(1,896,451)	(849,817)	(441)	(51,079)	(290,082)	(1,447,041)	(1,377,382)
Partnership and asset management fees	(14,758)	(10,000)	(6,150)	(68,347)	(452,065)	-	(10,000)	(10,000)	(65,563)	(49,723)
Ground lease	-	-	-	(1,072,117)	(959,268)	-	-	-	(6)	-
Incentive, issuer and investor service fees	-	-	-	(470,707)	(414,362)	-	-	-	(107,569)	-
Bond and loan fees	-	-	(4,000)	-	(35,475)	-	-	-	(149,096)	(13,581)
Other nonoperating revenue (expense), net	(91,304)	(12,016)	-	-	-	(28,475)	-	-	(21,855)	-
Total nonoperating revenues (expenses)	(1,292,427)	(93,081)	(355,182)	(3,483,725)	(2,710,128)	(28,812)	(60,960)	(299,810)	(1,790,344)	(1,440,590)
Income (loss) before capital contributions	(879,560)	53,162	175,610	(910,297)	619,085	29,102	238,504	434,982	2,512,850	(1,290,143)
Capital contributions (distributions)	-	-	-	(677,577)	(78,405)	-	(513,154)	(91,474)	(976,642)	402,138
Change in net position	(879,560)	53,162	175,610	(1,587,874)	540,680	29,102	(274,650)	343,508	1,536,208	(888,005)
Net position, beginning of year	8,324,878	584,442	8,803,020	8,799,070	11,370,261	176,739	3,483,762	5,074,744	30,737,907	17,198,118
Net position, ending of year	$ 7,445,318	$ 637,604	$ 8,978,630	$ 7,211,196	$ 11,910,941	$ 205,841	$ 3,209,112	$ 5,418,252	$ 32,274,115	$ 16,310,113

(Continued)

(1) Component unit was audited by other auditors.
(2) Component unit was audited by other auditors as a subsidiary of the S.P.G. Housing, Inc.

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Combining Statement of Revenues, Expenses and Changes in Net Position - Discretely Presented Component Units (Continued)
For Year Ended December 31, 2021

	McCreery Avenue L.P. (1)	Park Avenue Seniors, L.P. (1)	Poinciana LLC (2)	Rincon Gardens Associates, L.P. (1)	South Drive LLC (1)	Willows HACSC Associates (1)	Elimination/ Adjustment	Total
Operating revenues:								
Rental income	$ 2,543,064	$ 2,752,570	$ 275,688	$ 5,352,533	$ 1,104,005	$ 917,283	$ -	$ 46,050,246
Tenant revenue - other	31,992	-	-	-	-	-	-	68,934
Donation and other	10,317	28,645	3,041	19,869	17,577	20,551	-	255,743
Total operating revenues	2,585,373	2,781,215	278,729	5,372,402	1,121,582	937,834	-	46,374,923
Operating expenses:								
Administrative	361,176	423,994	37,300	618,500	247,591	202,266	-	5,031,648
Utilities	229,773	162,549	10,855	375,041	96,975	79,577	-	3,013,072
Maintenance and operations	606,073	302,254	46,182	608,999	205,154	259,055	-	6,564,122
Marketing and leasing	2,973	-	-	-	-	-	-	11,659
Insurance and taxes	123,049	96,750	5,753	123,805	59,057	74,850	-	1,550,335
Other general expenses	-	-	-	-	-	-	-	811,594
Depreciation and amortization	1,155,771	1,678,021	91,707	1,177,758	172,207	204,527	-	13,616,546
Total operating expenses	2,478,815	2,663,568	191,797	2,904,103	780,984	820,275	-	30,598,976
Operating income (loss)	106,558	117,647	86,932	2,468,299	340,598	117,559	-	15,775,947
Nonoperating revenues (expenses):								
Investment income	1,321	74	35	1,751	101	341	-	36,111
Interest expense	(790,878)	(1,637,168)	(316)	(1,454,207)	(117,097)	(27,516)	-	(11,548,292)
Partnership and asset management fees	(30,000)	5,000	-	(42,773)	(10,000)	(55,285)	-	(819,664)
Ground lease	-	-	-	-	-	(30,685)	-	(2,062,076)
Incentive, issuer and investor service fees	-	-	-	(107,011)	-	-	-	(1,099,649)
Bond and loan fees	(22,370)	-	-	(14,257)	-	(54,296)	-	(293,075)
Other nonoperating revenue (expense), net	-	-	(20,398)	(48,904)	(10,792)	(9,640)	-	(243,384)
Total nonoperating revenues (expenses)	(841,927)	(1,632,094)	(20,679)	(1,665,401)	(137,788)	(177,081)	-	(16,030,029)
Income (loss) before capital contributions	(735,369)	(1,514,447)	66,253	802,898	202,810	(59,522)	-	(254,082)
Capital contributions (distributions)	-	-	-	(450,959)	-	-	-	(2,386,073)
Change in net position	(735,369)	(1,514,447)	66,253	351,939	202,810	(59,522)	-	(2,640,155)
Net position, beginning of year	13,085,509	21,320,686	358,731	6,959,390	2,192,722	(273,536)	(20,499,638)	117,696,805
Net position, ending of year	$ 12,350,140	$ 19,806,239	$ 424,984	$ 7,311,329	$ 2,395,532	$ (333,058)	$ (20,499,638)	$ 115,056,650

(1) Component unit was audited by other auditors.
(2) Component unit was audited by other auditors as a subsidiary of the S.P.G. Housing, Inc.

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Combining Statement of Net Position by Programs
June 30, 2022

	Conventional Housing Program	Public Housing Capital	Family Self Sufficiency	Section 8 Rental Voucher	Special Purpose Voucher	Public Housing Proceeds Program	Moving To Work	Section 8 Moderate Rehabilitation	Development Services	Real Estate Services
Assets:										
Current assets:										
Unrestricted cash and cash equivalents	$ 16,050	$ 275	$ -	$ 647,401	$ 1,537,076	$ 9,988	$ 12,485,744	$ 155,644	$ 3,077,102	$ 84,661
Unrestricted short term investments	-	180,623	-	-	-	4,000,651	-	-	1,592,015	-
Accounts receivable:										
Tenants	-	-	-	-	-	-	-	-	-	-
HUD	-	-	40,721	-	135,083	-	180,378,093	11,342	-	-
Others	-	-	-	9,042	3,678	-	215,109	33	867	3,607
Interest receivable	-	355	-	-	-	7,333	-	-	3,117	-
Due from other programs	-	-	35,302	1,084,358	31,336	-	69,993	11,611	591,459	132,011
Due from component units and related parties	-	-	-	33,119	-	199,228	-	-	383	54,083
Prepaid expenses	5,411	-	-	160,014	6,959	-	551,381	-	42,056	28,931
Restricted cash and cash equivalents	400	-	-	-	12,960,631	-	162,500	-	-	17,822
Restricted cash in FSS escrow	-	-	-	2,621,505	80,787	-	-	-	-	-
Restricted short term investments	-	-	-	-	-	-	-	-	-	-
Total current assets	21,861	181,253	76,023	4,555,439	14,755,550	4,217,200	193,862,820	178,630	5,306,999	321,115
Noncurrent assets:										
Long term investments	-	-	-	-	-	15,293,037	-	-	-	-
Restricted long term investments	-	-	-	1,966,851	-	-	-	-	152,595	101,730
Long-term receivables from non-related parties	-	-	-	-	-	-	5,607,359	-	-	-
Long-term receivables from component units and related parties	-	6,233,044	-	2,005,767	-	53,579,585	89,452,824	-	-	54,350
Net pension asset	-	-	-	23,347,317	-	-	-	-	1,864,129	1,773,781
Net OPEB asset	-	-	-	4,874,436	-	-	-	-	336,130	417,630
Equity interest in affiliated limited partnerships	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	2,157,677	-	203,915	205,499
Capital assets:										
Nondepreciable	153,635	-	-	15,209,739	-	5,333,062	41,971,791	-	-	238,272
Depreciable	517,238	-	-	1,081,622	-	-	-	-	-	13,542
Total capital assets	670,873	-	-	16,291,361	-	5,333,062	41,971,791	-	-	251,814
Total noncurrent assets	670,873	6,233,044	-	48,485,732	-	74,205,684	139,189,651	-	2,556,769	2,804,804
Total assets	692,734	6,414,297	76,023	53,041,171	14,755,550	78,422,884	333,052,471	178,630	7,863,768	3,125,919
Deferred outflows of resources:										
Pension items	-	-	8,196	1,996,605	58,038	-	-	4,376	159,628	140,134
Other post employment benefits (OPEB) items	-	-	-	1,165,369	19,420	-	-	825	72,495	97,244
Total deferred outflows of resources	-	-	8,196	3,161,974	77,458	-	-	5,201	232,123	237,378

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Combining Statement of Net Position by Programs
June 30, 2022

	Conventional Housing Program	Public Housing Capital	Family Self Sufficiency	Section 8 Rental Voucher	Special Purpose Voucher	Public Housing Proceeds Program	Moving To Work	Section 8 Moderate Rehabilitation	Development Services	Real Estate Services
Liabilities:										
Current liabilities:										
Accounts payable	3,836	-	66,869	327,811	45,085	-	511,796	871	51,616	26,534
Accrued wages and benefits	-	-	6,370	447,172	23,739	-	-	1,941	73,898	50,317
Accrued interest payable	-	-	-	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	4,657	-	43,740	21,325	-	-
Due to other programs	-	-	-	34,442	130,683	-	-	11,592	265,070	760,534
Due to component units and related parties	1,020	-	-	-	-	-	-	-	-	4,000
Other accrued liabilities	2,646	-	-	-	-	-	-	-	-	17,822
Tenant security deposits	400	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	2,284,107	92	-	-	-	-
Current portion of accrued vacation and sick leave	-	-	388	143,992	4,311	-	-	526	15,687	20,171
Current potion of FSS escrow	-	-	-	333,311	5,340	-	-	-	-	-
Current portion of long-term debt	-	-	-	20,000	-	-	-	-	-	-
Total current liabilities	7,902	-	73,627	1,306,728	2,497,922	92	555,536	36,255	406,271	879,378
Noncurrent liabilities:										
FSS escrow	-	-	-	2,288,194	75,447	-	-	-	-	-
Accrued vacation and sick leave, net of current portion	-	-	2,396	916,621	26,614	-	-	3,370	94,343	121,356
Payable to component units and related parties, net of current portion	-	-	-	-	-	-	-	-	-	-
Other obligations, net of current portion	-	-	-	-	-	-	-	-	-	-
Long-term interest payable	-	-	-	689,759	-	-	-	-	-	-
Long-term obligations, net of current portion	-	-	-	952,500	-	-	-	-	-	-
Net pension liability	-	-	8,196	-	58,038	-	-	4,376	-	-
Net OPEB liability	-	-	-	-	19,420	-	-	825	-	-
Total noncurrent liabilities	-	-	10,592	4,847,074	179,519	-	-	8,571	94,343	121,356
Total liabilities	7,902	-	84,219	6,153,802	2,677,441	92	555,536	44,826	500,614	1,000,734
Deferred inflows of resources:										
Pension items	-	-	-	8,486,672	-	-	-	-	551,527	521,151
OPEB items	-	-	-	4,322,740	-	-	-	-	288,420	241,553
Total deferred inflows of resources	-	-	-	12,809,412	-	-	-	-	839,947	762,704
Net position:										
Net investment in capital assets	670,873	-	-	15,318,861	-	5,333,062	41,971,791	-	-	251,814
Restricted	-	-	-	30,188,604	11,266,958	-	162,500	-	2,352,854	2,293,141
Unrestricted	13,959	6,414,297	-	(8,267,534)	888,609	73,089,730	290,362,644	139,005	4,402,476	(945,096)
Total net position	$ 684,832	$ 6,414,297	$ -	$ 37,239,931	$ 12,155,567	$ 78,422,792	$ 332,496,935	$ 139,005	$ 6,755,330	$ 1,599,859

(Continued)

(1) Component units were audited by other auditors.
(2) As of December 31, 2021

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SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Combining Statement of Net Position by Programs (Continued)
June 30, 2022

	Non-Federal Pooled Funds	HARA	Internal Service Programs	Blended Component Units (1)(2)	Elimination/ Reclassification	Total
Assets:						
Current assets:						
Unrestricted cash and cash equivalents	$ 789,471	$ 1,510,300	$ 1,244,746	$ 19,877,208	$ -	$ 41,435,666
Unrestricted short term investments	1,307,263	13,123,091	-	-	-	20,203,643
Accounts receivable:						
Tenants	-	-	-	133,783	-	133,783
HUD	-	-	-	-	-	180,565,239
Others	-	13,407	592,340	62,304	-	900,387
Interest receivable	2,559	25,642	-	-	-	39,006
Due from other programs	-	433,431	218,026	-	(2,607,527)	-
Due from component units and related parties	-	-	-	1,096,795	(41,834)	1,341,774
Prepaid expenses	-	37,854	191,537	329,316	(604,630)	748,829
Restricted cash and cash equivalents	-	35,713	-	12,150,905	-	25,327,971
Restricted cash in FSS escrow	-	-	-	-	-	2,702,292
Restricted short term investments	-	752,531	-	-	-	752,531
Total current assets	2,099,293	15,931,969	2,246,649	33,650,311	(3,253,991)	274,151,121
Noncurrent assets:						
Long term investments	-	7,686,941	-	-	-	22,979,978
Restricted long term investments	-	-	-	-	-	2,221,176
Long-term receivables from non-related parties	-	-	-	262,994	-	5,870,353
Long-term receivables from component units and related parties	966,329	-	-	29,078,621	(70,786,059)	110,584,461
Net pension asset	-	-	-	-	(70,610)	26,914,617
Net OPEB asset	-	-	-	-	(20,245)	5,607,951
Equity interest in affiliated limited partnerships	-	-	-	6,763,076	-	6,763,076
Other assets	-	-	-	-	(2,567,091)	-
Capital assets:						
Nondepreciable	-	23,177,620	-	69,659,099	-	155,743,218
Depreciable	-	19,607,341	295,237	51,566,965	-	73,081,945
Total capital assets	-	42,784,961	295,237	121,226,064	-	228,825,163
Total noncurrent assets	966,329	50,471,902	295,237	157,330,755	(73,444,005)	409,766,775
Total assets	3,065,622	66,403,871	2,541,886	190,981,066	(76,697,996)	683,917,896
Deferred outflows of resources:						
Pension items	-	-	-	-	-	2,366,977
Other post employment benefits (OPEB) items	-	-	-	-	-	1,355,353
Total deferred outflows of resources	-	-	-	-	-	3,722,330

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Combining Statement of Net Position by Programs (Continued)
June 30, 2022

	Non-Federal Pooled Funds	HARA	Internal Service Programs	Blended Component Units (1)(2)	Elimination/ Reclassification	Total
Liabilities:						
Current liabilities:						
Accounts payable	5,210	48,333	393,562	1,107,297	-	2,588,820
Accrued wages and benefits	-	-	294,585	-	-	898,022
Accrued interest payable	-	-	-	955,567	-	955,567
Intergovernmental payable	-	-	-	-	-	69,722
Due to other programs	-	430,455	974,751	-	(2,607,527)	-
Due to component units and related parties	-	-	-	2,494,213	(2,119,555)	379,678
Other accrued liabilities	-	-	-	51	-	20,519
Tenant security deposits	-	-	-	773,293	-	773,693
Unearned revenue	-	1,727,334	-	76,858	(604,630)	3,483,761
Current portion of accrued vacation and sick leave	-	-	114,961	-	-	300,036
Current potion of FSS escrow	-	-	-	-	-	338,651
Current portion of long-term debt	-	-	-	2,815,964	-	2,835,964
Total current liabilities	5,210	2,206,122	1,777,859	8,223,243	(5,331,712)	12,644,433
Noncurrent liabilities:						
FSS escrow	-	-	-	-	-	2,363,641
Accrued vacation and sick leave, net of current portion	-	-	746,076	-	-	1,910,776
Payable to component units and related parties, net of current portion	-	-	-	69,745,462	(68,708,338)	1,037,124
Other obligations, net of current portion	-	2,567,091	-	-	(2,567,091)	-
Long-term interest payable	-	-	-	7,397,995	-	8,087,754
Long-term obligations, net of current portion	-	-	-	88,574,978	-	89,527,478
Net pension liability	-	-	-	-	(70,610)	-
Net OPEB liability	-	-	-	-	(20,245)	-
Total noncurrent liabilities	-	2,567,091	746,076	165,718,435	(71,366,284)	102,926,773
Total liabilities	5,210	4,773,213	2,523,935	173,941,678	(76,697,996)	115,571,206
Deferred inflows of resources:						
Pension items	-	-	-	-	-	9,559,350
OPEB items	-	-	-	-	-	4,852,713
Total deferred inflows of resources	-	-	-	-	-	14,412,063
Net position:						
Net investment in capital assets	-	42,784,961	295,237	29,794,840	-	136,421,439
Restricted	-	788,244	-	11,377,612	(90,855)	58,339,058
Unrestricted	3,060,412	18,057,453	(277,286)	(24,133,064)	90,855	362,896,460
Total net position	$ 3,060,412	$ 61,630,658	$ 17,951	$ 17,039,388	$ -	$ 557,656,957

(1) Component units were audited by other auditors.
(2) As of December 31, 2021

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Combining Statement of Revenues, Expenses and Changes in Net Position by Programs
For the Year Ended June 30, 2022

	Conventional Housing Program	Public Housing Capital	Family Self Sufficiency	Section 8 Rental Voucher	Special Purpose Voucher	Public Housing Proceeds Program	Moving To Work	Section 8 Moderate Rehabilitation	Development Services	Real Estate Services
Operating revenues:										
Rental income	$ 18,190	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Service fees	-	-	-	-	42,056	-	-	-	-	-
HUD housing assistance payments earned	-	-	-	-	39,804,520	-	403,931,668	1,379,264	-	-
HUD administrative fees	-	-	-	-	1,978,338	-	22,219,782	101,259	-	-
HUD administrative fees - CARES Act	-	-	-	1,110,000	-	-	-	-	-	-
FSS coordinator fees	-	-	394,818	-	-	-	-	-	-	-
Operating subsidy	-	-	-	-	-	-	17,644	-	-	-
Other operating revenues	1,399	-	-	2,259,368	5,670	218,327	117,302	-	4,230,361	712,264
Total operating revenues	19,589	-	394,818	3,369,368	41,830,584	218,327	426,286,396	1,480,523	4,230,361	712,264
Operating expenses:										
Wages and benefits	3,930	-	-	10,641,271	1,051,147	-	-	87,605	1,287,673	1,074,701
Pension and OPEB expense	-	-	-	861,516	-	-	-	-	57,857	51,767
Administrative	1,276	-	-	946,388	64,316	124	-	3,942	94,942	83,905
Tenant services	2,594	-	394,818	326,889	42,056	-	-	-	-	-
Utilities	4,250	-	-	-	-	-	17,095	-	-	7,889
Maintenance and operations	17,806	-	-	-	-	-	108,142	-	-	33,278
General	6,754	-	-	729,337	9,254	-	11,135	284	153,645	11,599
Indirect allocation	-	-	-	8,476,887	792,605	-	-	31,550	601,933	538,547
Depreciation and amortization	29,251	-	-	612,897	-	-	-	-	-	936
Housing assistance payments	-	-	-	374,489,356	31,303,825	-	400,100	1,379,264	-	-
Other	17,488	-	-	2,309,996	239,482	-	-	1,918	17,434	85,528
Total operating expenses	83,349	-	394,818	399,394,537	33,502,685	124	536,472	1,504,563	2,213,484	1,888,150
Operating income (loss)	(63,760)	-	-	(396,025,169)	8,327,899	218,203	425,749,924	(24,040)	2,016,877	(1,175,886)
Nonoperating revenues (expenses):										
Gain (loss) on disposal of capital assets	-	-	-	(978,613)	-	-	304,200	-	-	-
Investment income	-	223,279	-	(241,668)	-	188,565	1,728,038	-	(11,724)	(12,500)
Interest expense	-	-	-	(38,900)	-	-	-	-	-	-
Other nonoperating revenues	-	-	-	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	-	223,279	-	(1,259,181)	-	188,565	2,032,238	-	(11,724)	(12,500)
Income (loss) before transfers	(63,760)	223,279	-	(397,284,350)	8,327,899	406,768	427,782,162	(24,040)	2,005,153	(1,188,386)
Transfers in	111,094	-	-	410,601,383	29,807	-	114,500	-	-	1,215,000
Transfers out	-	-	-	-	(27,028)	-	(411,496,743)	(3,058)	-	(114,500)
Change in net position	47,334	223,279	-	13,317,033	8,330,678	406,768	16,399,919	(27,098)	2,005,153	(87,886)
Net position, beginning of year	637,498	6,191,018	-	23,922,898	3,824,889	78,016,024	316,097,016	166,103	4,750,177	1,687,745
Net position, end of year	$ 684,832	$ 6,414,297	$ -	$ 37,239,931	$ 12,155,567	$ 78,422,792	$ 332,496,935	$ 139,005	$ 6,755,330	$ 1,599,859

(Continued)

(1) Component units were audited by other auditors.
(2) For the year ended December 31, 2021

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Combining Statement of Revenues, Expenses and Changes in Net Position by Programs (Continued)
For the Year Ended June 30, 2022

	Non-Federal Pooled Funds	HARA	Internal Service Programs	Blended Component Units (1)(2)	Elimination/ Reclassification	Total
Operating revenues:						
Rental income	$ -	$ 626,806	$ -	$ 15,955,605	$ (594,630)	$ 16,005,971
Service fees	-	-	10,441,522	360,916	(10,441,522)	402,972
HUD housing assistance payments earned	-	-	-	-	-	445,115,452
HUD administrative fees	-	-	-	-	-	24,299,379
HUD administrative fees - CARES Act	-	-	-	-	-	1,110,000
FSS coordinator fees	-	-	-	-	-	394,818
Operating subsidy	-	-	-	-	-	17,644
Other operating revenues	-	58,276	2,495	1,374,043	-	8,979,505
Total operating revenues	-	685,082	10,444,017	17,690,564	(11,036,152)	496,325,741
Operating expenses:						
Wages and benefits	-	-	7,224,417	1,474,079	-	22,844,823
Pension and OPEB expense	-	-	-	-	-	971,140
Administrative	21,575	12,017	1,725,038	610,901	(594,630)	2,969,794
Tenant services	-	-	-	344,148	-	1,110,505
Utilities	-	54,058	203,378	1,583,384	-	1,870,054
Maintenance and operations	-	152,881	402,287	3,758,668	-	4,473,062
General	-	72,292	223,257	1,127,996	-	2,345,553
Indirect allocation	-	-	-	-	(10,441,522)	-
Depreciation and amortization	-	991,873	258,194	3,717,351	-	5,610,502
Housing assistance payments	-	-	-	-	-	407,572,545
Other	-	326,438	476,169	1,942,649	-	5,417,102
Total operating expenses	21,575	1,609,559	10,512,740	14,559,176	(11,036,152)	455,185,080
Operating income (loss)	(21,575)	(924,477)	(68,723)	3,131,388	-	41,140,661
Nonoperating revenues (expenses):						
Gain (loss) on disposal of capital assets	-	-	-	(398,276)	-	(1,072,689)
Investment income	17,428	(689,986)	-	1,327,077	-	2,528,509
Interest expense	-	-	-	(3,885,576)	-	(3,924,476)
Other nonoperating revenues	145,042	-	-	-	-	145,042
Total nonoperating revenues (expenses)	162,470	(689,986)	-	(2,956,775)	-	(2,323,614)
Income (loss) before transfers	140,895	(1,614,463)	(68,723)	174,613	-	38,817,047
Transfers in	-	-	70,464	-	(412,142,248)	-
Transfers out	-	(500,919)	-	-	412,142,248	-
Change in net position	140,895	(2,115,382)	1,741	174,613	-	38,817,047
Net position, beginning of year	2,919,517	63,746,040	16,210	16,864,775	-	518,839,910
Net position, end of year	$ 3,060,412	$ 61,630,658	$ 17,951	$ 17,039,388	$ -	$ 557,656,957

(1) Component units were audited by other auditors.
(2) For the year ended December 31, 2021

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Combining Statement of Net Position - Blended Component Units
December 31, 2021

	AE Associates, Ltd. (1)	Alvarado Park LP (2)	Avenida Espana HDC, Inc. (1)	Bascom HACSC Associates (1)	Bellarmino Place LP (2)	Blossom River Associates LP (1)	Bracher HDC, Inc. (1)	DeRose HDC, Inc. (1)	HACSC/Choices Family Associates (1)	HACSC/Choices Senior Associates (1)	Hawthorn Senior Apartments LP (3)
Assets:											
Current assets:											
Unrestricted cash and cash equivalents	$ 44,816	$ 490,648	$ 2,096,696	$ 1,541,192	$ 2,021,504	$ 489,979	$ 121,888	$ 1,060,264	$ 485,686	$ 52,686	$ 500,000
Accounts receivable:											
Tenants	55	-	-	1,828	-	57,586	-	-	1,044	3,449	-
Others	5,602	-	-	4,714	-	37,896	-	-	8,672	1,956	-
Due from component units and related parties	-	-	374,568	-	-	-	53,850	40,000	-	-	-
Prepaid expenses	47,074	-	-	36,604	-	32,609	-	-	26,309	18,251	-
Restricted cash and cash equivalents	458,497	-	-	1,573,814	-	3,158,120	-	-	2,369,882	1,998,814	-
Total current assets	556,044	490,648	2,471,264	3,158,152	2,021,504	3,776,190	175,738	1,100,264	2,891,593	2,075,156	500,000
Noncurrent assets:											
Long-term receivables from non-related parties	-	-	-	-	-	-	-	-	-	-	-
Long-term receivables from component units and related parties	-	-	11,930	-	-	-	60,000	-	-	-	-
Equity interest in affiliated limited partnerships	-	-	7,401,231	-	-	-	(1,382,347)	(2,797,360)	-	-	-
Capital assets:											
Nondepreciable	572,324	1,702,681	-	4,066,165	2,400,352	5,870,629	-	-	3,818,724	2,612,715	40,282
Depreciable	2,275,034	-	-	7,520,132	-	4,063,580	-	-	9,005,789	6,733,647	-
Total capital assets	2,847,358	1,702,681	-	11,586,297	2,400,352	9,934,209	-	-	12,824,513	9,346,362	40,282
Total noncurrent assets	2,847,358	1,702,681	7,413,161	11,586,297	2,400,352	9,934,209	(1,322,347)	(2,797,360)	12,824,513	9,346,362	40,282
Total assets	3,403,402	2,193,329	9,884,425	14,744,449	4,421,856	13,710,399	(1,146,609)	(1,697,096)	15,716,106	11,421,518	540,282
Liabilities:											
Current liabilities:											
Accounts payable	41,668	99,990	10,700	53,291	209,618	47,672	9,700	10,200	71,951	79,841	40,282
Accrued interest payable	18,877	-	-	151,716	-	235,147	-	-	274,483	154,120	-
Due to component units and related parties	57,748	-	322,152	626,420	-	414,280	-	-	54,751	784	-
Other accrued liabilities	-	-	-	13	-	-	-	-	-	38	-
Tenant security deposits	43,105	-	-	91,969	-	134,293	-	-	74,206	63,125	-
Unearned revenue	-	-	-	14	-	21,959	-	-	6,560	3,482	-
Current portion of long-term debt	-	-	-	120,000	-	285,000	-	-	235,338	130,000	-
Total current liabilities	161,398	99,990	332,852	1,043,423	209,618	1,138,351	9,700	10,200	717,289	431,390	40,282
Noncurrent liabilities:											
Long-term payable to component units and related parties	14,928	2,094,955	12,330,000	8,242,420	4,212,583	9,137,828	-	-	-	89,765	500,000
Long-term interest payable	2,692,709	-	-	-	-	-	-	-	635,882	2,049,176	-
Long-term obligations, net of current portion	4,377,822	-	-	4,685,000	-	9,726,517	-	-	14,356,715	10,232,275	-
Total noncurrent liabilities	7,085,459	2,094,955	12,330,000	12,927,420	4,212,583	18,864,345	-	-	14,992,597	12,371,216	500,000
Total liabilities	7,246,857	2,194,945	12,662,852	13,970,843	4,422,201	20,002,696	9,700	10,200	15,709,886	12,802,606	540,282
Net position:											
Net investment in capital assets	(1,530,464)	1,702,681	-	6,781,297	2,400,352	(77,308)	-	-	(1,767,540)	(1,015,913)	-
Restricted	415,392	-	-	1,481,845	-	3,023,827	-	-	2,295,676	1,935,689	-
Unrestricted	(2,728,383)	(1,704,297)	(2,778,427)	(7,489,536)	(2,400,697)	(9,238,816)	(1,156,309)	(1,707,296)	(521,916)	(2,300,864)	-
Total net position	$ (3,843,455)	$ (1,616)	$ (2,778,427)	$ 773,606	$ (345)	$ (6,292,297)	$ (1,156,309)	$ (1,707,296)	$ 6,220	$ (1,381,088)	$ -

(Continued)

(1) Component unit was audited by other auditors.
(2) Component unit was audited by other auditors as a subsidiary of the Villa Garcia, Inc.
(3) Component unit was audited by other auditors as a subsidiary of the DeRose HDC, Inc.

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Combining Statement of Net Position - Blended Component Units (Continued)
December 31, 2021

	Helzer Associates LP (1)	Klamath Associates LP (1)	Pinmore HDC, Inc. (1)	Poco Way HDC, Inc. (1)	Rotary Plaza/ HACSC HDC, Inc. (1)	San Pedro Gardens Associates, Ltd. (1)	S.P.G. Housing, Inc. (1)	Villa Garcia Inc. (1)	Villa San Pedro HDC, Inc. (1)	Elimination/ Reclassification	Total
Assets:											
Current assets:											
Unrestricted cash and cash equivalents	$ 1,488,900	$ 399,194	$ 1,667,401	$ 1,896,744	1,042,863	$ 179,925	$ 481,766	$ 3,539,973	$ 275,083	$ -	$ 19,877,208
Accounts receivable:											
Tenants	10,389	2,204	-	17,591	595	777	38,265	-	-	-	133,783
Others	2,970	-	-	-	29	-	465	-	-	-	62,304
Due from component units and related parties	-	-	91,407	105,568	10,000	-	67,094	463,460	-	(109,152)	1,096,795
Prepaid expenses	84,505	4,272	-	684	41,838	6,368	30,802	-	-	-	329,316
Restricted cash and cash equivalents	1,790,900	40,733	-	35,698	236,297	168,816	319,334	-	-	-	12,150,905
Total current assets	3,377,664	446,403	1,758,808	2,056,285	1,331,622	355,886	937,726	4,003,433	275,083	(109,152)	33,650,311
Noncurrent assets:											
Long-term receivables from non-related parties	-	-	-	262,994	-	-	-	-	-	-	262,994
Long-term receivables from component units and related parties	-	-	135,304	11,522,492	-	-	129,736	5,482,879	11,796,280	(60,000)	29,078,621
Equity interest in affiliated limited partnerships	-	-	(4,661,464)	-	5,418,252	-	1,636,102	(637)	1,149,299	-	6,763,076
Capital assets:											
Nondepreciable	2,690,280	717,242	-	44,949,231	-	218,474	-	-	-	-	69,659,099
Depreciable	11,894,214	858,557	-	1,089,482	3,242,450	689,998	4,194,082	-	-	-	51,566,965
Total capital assets	14,584,494	1,575,799	-	46,038,713	3,242,450	908,472	4,194,082	-	-	-	121,226,064
Total noncurrent assets	14,584,494	1,575,799	(4,526,160)	57,824,199	8,660,702	908,472	5,959,920	5,482,242	12,945,579	(60,000)	157,330,755
Total assets	17,962,158	2,022,202	(2,767,352)	59,880,484	9,992,324	1,264,358	6,897,646	9,485,675	13,220,662	(169,152)	190,981,066
Liabilities:											
Current liabilities:											
Accounts payable	162,111	17,686	13,400	107,809	19,387	22,549	68,842	12,200	8,400	-	1,107,297
Accrued interest payable	90,201	26,675	-	-	3,303	-	1,045	-	-	-	955,567
Due to component units and related parties	603,911	9,027	-	98,162	161,823	26,283	228,024	-	-	(109,152)	2,494,213
Other accrued liabilities	-	-	-	-	-	-	-	-	-	-	51
Tenant security deposits	174,887	13,897	-	35,680	65,290	6,285	70,556	-	-	-	773,293
Unearned revenue	8,064	2,325	-	2,008	8,692	-	23,754	-	-	-	76,858
Current portion of long-term debt	320,000	43,402	-	-	202,575	18,146	1,461,503	-	-	-	2,815,964
Total current liabilities	1,359,174	113,012	13,400	243,659	461,070	73,263	1,853,724	12,200	8,400	(109,152)	8,223,243
Noncurrent liabilities:											
Long-term payable to component units and related parties	8,681,157	483,204	-	18,467,134	2,840,665	339,914	1,299,971	-	1,070,938	(60,000)	69,745,462
Long-term interest payable	-	901,078	-	-	105,990	1,013,160	-	-	-	-	7,397,995
Long-term obligations, net of current portion	13,052,067	901,262	-	29,000,000	494,484	1,489,526	259,310	-	-	-	88,574,978
Total noncurrent liabilities	21,733,224	2,285,544	-	47,467,134	3,441,139	2,842,600	1,559,281	-	1,070,938	(60,000)	165,718,435
Total liabilities	23,092,398	2,398,556	13,400	47,710,793	3,902,209	2,915,863	3,413,005	12,200	1,079,338	(169,152)	173,941,678
Net position:											
Net investment in capital assets	1,212,427	631,135	-	17,038,713	2,545,391	(599,200)	2,473,269	-	-	-	29,794,840
Restricted	1,616,013	26,836	-	18	171,007	162,531	248,778	-	-	-	11,377,612
Unrestricted	(7,958,680)	(1,034,325)	(2,780,752)	(4,869,040)	3,373,717	(1,214,836)	762,594	9,473,475	12,141,324	-	(24,133,064)
Total net position	$ (5,130,240)	$ (376,354)	$ (2,780,752)	$ 12,169,691	$ 6,090,115	$ (1,651,505)	$ 3,484,641	$ 9,473,475	$ 12,141,324	$ -	$ 17,039,388

(1) Component unit was audited by other auditors.
(2) Component unit was audited by other auditors as a subsidiary of the Villa Garcia, Inc.
(3) Component unit was audited by other auditors as a subsidiary of the DeRose HDC, Inc.

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Combining Statement of Revenues, Expenses and Changes in Net Position
Blended Component Units
For the Year Ended December 31, 2021

	AE Associates, Ltd. (1)	Alvardo Park LP (2)	Avenida Espana HDC, Inc. (1)	Bascom HACSC Associates (1)	Bellarmino Place LP (2)	Blossom River Associates LP (1)	Bracher HDC, Inc. (1)	DeRose HDC, Inc. (1)	HACSC/Choices Family Associates (1)	HACSC/Choices Senior Associates (1)	Hawthorn Senior Apartments LP (1)
Operating revenues:											
Rental income	$ 817,135	$ -	$ -	$ 1,939,192	$ -	$ 2,697,681	$ -	$ -	$ 1,928,471	$ 1,241,743	$ -
Service fees	-	-	148,336	-	-	-	30,000	30,000	-	-	-
Other operating revenues	10,160	-	214,580	13,982	-	51,329	(291,503)	157,356	103,609	5,905	-
Total operating revenues	827,295	-	362,916	1,953,174	-	2,749,010	(261,503)	187,356	2,032,080	1,247,648	-
Operating expenses:											
Wages and benefits	117,667	-	-	126,765	-	235,029	-	-	133,644	117,674	-
Administrative	50,715	291	9,900	43,361	63	64,362	9,690	9,400	37,682	49,886	-
Tenant services	38,867	-	-	50,103	-	38,827	-	-	39,454	39,207	-
Utilities	134,093	-	-	128,664	-	206,293	-	-	148,038	140,635	-
Maintenance and operations	276,323	-	-	295,651	-	487,120	-	-	410,936	290,989	-
General	53,448	-	75	53,079	-	138,062	25	150	83,240	43,954	-
Depreciation and amortization	252,486	-	-	396,219	-	748,178	-	-	471,672	351,708	-
Other	59,217	-	472,095	148,953	-	161,023	-	10,000	295,983	98,452	-
Total operating expenses	982,816	291	482,070	1,242,795	63	2,078,894	9,715	19,550	1,620,649	1,132,505	-
Operating income (loss)	(155,521)	(291)	(119,154)	710,379	(63)	670,116	(271,218)	167,806	411,431	115,143	-
Nonoperating revenues (expenses):											
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	(14,041)	(61,366)	
Investment income	202	274	205	40,532	1,168	106,913	-	-	89,025	79,105	-
Interest expense	(98,732)	-	-	(487,455)	-	(868,203)	-	-	(634,803)	(430,615)	-
Total nonoperating revenues (expenses)	(98,530)	274	205	(446,923)	1,168	(761,290)	-	-	(559,819)	(412,876)	-
Change in net position	(254,051)	(17)	(118,949)	263,456	1,105	(91,174)	(271,218)	167,806	(148,388)	(297,733)	-
Net position, beginning of year	(3,589,404)	(1,599)	(2,659,478)	510,150	(1,450)	(6,201,123)	(885,091)	(1,875,102)	154,608	(1,083,355)	-
Net position, end of year	$ (3,843,455)	$ (1,616)	$ (2,778,427)	$ 773,606	$ (345)	$ (6,292,297)	$ (1,156,309)	$ (1,707,296)	$ 6,220	$ (1,381,088)	$ -

(Continued)

(1) Component unit was audited by other auditors.
(2) Component unit was audited by other auditors as a subsidiary of the Villa Garcia, Inc.
(3) Component unit was audited by other auditors as a subsidiary of the DeRose HDC, Inc.

SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
Blended Component Units
For the Year Ended December 31, 2021

	Helzer Associates LP (1)	Klamath Associates LP (1)	Pinmore HDC, Inc. (1)	Poco Way HDC, Inc. (1)	Rotary Plaza/ HACSC HDC, Inc. (1)	San Pedro Gardens Associates, Ltd. (1)	S.P.G. Housing, Inc. (1)	Villa Garcia Inc. (1)	Villa San Pedro HDC, Inc. (1)	Total
Operating revenues:										
Rental income	$ 3,302,089	$ 332,619	$ -	$ 850,444	$ 1,412,953	$ 325,224	$ 1,108,054	$ -	$ -	$ 15,955,605
Service fees	-	-	130,323	-	-	-	7,500	-	14,757	360,916
Other operating revenues	302,689	8,559	74,420	232,641	449,147	780	39,283	1,106	-	1,374,043
Total operating revenues	3,604,778	341,178	204,743	1,083,085	1,862,100	326,004	1,154,837	1,106	14,757	17,690,564
Operating expenses:										
Wages and benefits	247,979	48,502	-	148,807	144,255	44,665	109,092	-	-	1,474,079
Administrative	51,572	28,985	12,450	103,208	54,133	25,318	39,485	12,000	8,400	610,901
Tenant services	39,827	10,238	-	-	41,521	17,223	28,881	-	-	344,148
Utilities	304,244	35,738	-	215,374	156,087	1,860	112,358	-	-	1,583,384
Maintenance and operations	703,515	91,152	-	456,475	409,572	96,570	240,365	-	-	3,758,668
General	174,486	11,339	825	142,323	63,660	87,364	275,842	49	75	1,127,996
Depreciation and amortization	670,195	59,578	-	167,814	313,733	75,537	210,231	-	-	3,717,351
Other	194,314	27,693	124	104,001	97,906	18,107	254,693	-	88	1,942,649
Total operating expenses	2,386,132	313,225	13,399	1,338,002	1,280,867	366,644	1,270,947	12,049	8,563	14,559,176
Operating income (loss)	1,218,646	27,953	191,344	(254,917)	581,233	(40,640)	(116,110)	(10,943)	6,194	3,131,388
Nonoperating revenues (expenses):										
Loss on disposal of capital assets	(19,154)	-	-	(266,623)	-	-	(37,092)	-	-	(398,276)
Investment income	258	26	-	267,393	385	87	220,971	143,239	377,294	1,327,077
Interest expense	(1,065,499)	(64,934)	-	(3,705)	(114,433)	(52,990)	(45,157)	-	(19,050)	(3,885,576)
Total nonoperating revenues (expenses)	(1,084,395)	(64,908)	-	(2,935)	(114,048)	(52,903)	138,722	143,239	358,244	(2,956,775)
Change in net position	134,251	(36,955)	191,344	(257,852)	467,185	(93,543)	22,612	132,296	364,438	174,613
Net position, beginning of year	(5,264,491)	(339,399)	(2,972,096)	12,427,543	5,622,930	(1,557,962)	3,462,029	9,341,179	11,776,886	16,864,775
Net position, end of year	$ (5,130,240)	$ (376,354)	$ (2,780,752)	$ 12,169,691	$ 6,090,115	$ (1,651,505)	$ 3,484,641	$ 9,473,475	$ 12,141,324	$ 17,039,388

(1) Component unit was audited by other auditors.
(2) Component unit was audited by other auditors as a subsidiary of the Villa Garcia, Inc.
(3) Component unit was audited by other auditors as a subsidiary of the DeRose HDC, Inc.

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