

# Santa Clara County Housing Authority

## Basic Financial Statements and Supplementary Information

For the Year Ended June 30, 2025



**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Table of Contents

For the Year Ended June 30, 2025

	<u>Page</u>
<b>FINANCIAL SECTION:</b>	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis (Required Supplementary Information – Unaudited).....	5
Basic Financial Statements:	
Statement of Net Position.....	14
Statement of Revenues, Expenses, and Changes in Net Position .....	16
Statement of Cash Flows.....	17
Notes to the Basic Financial Statements .....	19
<b>REQUIRED SUPPLEMENTARY INFORMATION (other than MD&amp;A):</b>	
Schedule of Changes in Net Pension Liability and Related Ratios.....	86
Schedule of Pension Contributions .....	87
Schedule of Changes in Net OPEB Liability and Related Ratios .....	88
Schedule of OPEB Contributions.....	89
<b>OTHER SUPPLEMENTARY INFORMATION:</b>	
Combining Statement of Net Position – Discretely Presented Component Units.....	90
Combining Statement of Revenues, Expenses, and Changes in Net Position – Discretely Presented Component Units.....	92
Combining Statement of Net Position by Programs .....	94
Combining Statement of Revenues, Expenses, and Changes in Net Position by Programs .....	98
Combining Statement of Net Position – Blended Component Units .....	100
Combining Statement of Revenues, Expenses, and Changes in Net Position – Blended Component Units .....	102



## 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, 2025, 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, 2025, 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 32.5% of assets, 8.6% of net position, and 6.9% of revenues of the business-type activities as of June 30, 2025. We also did not audit the financial statements of 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, Girasol Acquisition LP, Halford LLC, Huff Avenue, LLC, Jardines Paloma Blanca Acquisition LP, and Poinciana LLC, were not audited in accordance with *Government Auditing Standards*.

### ***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 95.6% of its operating revenues. Our opinions are not modified with respect to this matter.

### ***Other Matter***

#### ***Prior-Year Comparative Information***

The financial statements include summarized prior-year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended June 30, 2024, from which such summarized information was derived.

#### ***Report on Summarized Comparative Information***

We have previously audited the Authority's financial statements as of and for the year ended June 30, 2024, and expressed unmodified opinions on the respective financial statements of the business-type activities (primary government) and the aggregate discretely presented component units in our report dated March 12, 2025. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### ***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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***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, is presented for purposes of additional analysis and is 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 GAAS. 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 March 12, 2026, 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

March 12, 2026

**SANTA CLARA COUNTY HOUSING AUTHORITY**  
(A Component Unit of the County of Santa Clara)  
Management's Discussion and Analysis (Unaudited)  
June 30, 2025

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, 2025. Please read it in conjunction with the Authority's financial statements, which follows this section.

**Financial Highlights**

- Beginning net position as of July 1, 2024, was restated to \$716.7 million, a net increase of \$36.0 million due to the change in reporting entity. The Authority reclassified Hawthorn Senior Apartments L.P. from a blended to a discretely presented component unit, and Julian Street Partners, L.P. from a discretely presented to a blended component unit.
- As of June 30, 2025, the Authority's net position was \$727.9 million. Of this amount, \$80.0 million is restricted for specific purposes, \$179.7 million is related to the Authority's investment in capital assets and is not available to meet on-going obligations, and \$468.2 million is unrestricted and available for meeting on-going obligations. The Authority's net position increased by \$47.3 million to \$727.9 million, consisting of a \$36.0 million change in the reporting entity discussed above and a \$11.3 million net increase from FY 2025 activities. The FY 2025 increase was driven primarily by \$7.5 million of net income (before transfers) from the Moving-to-Work (MTW) and Section 8 Rental Voucher programs, \$2.8 million from the Housing Authority Reserves Account (HARA), and \$2.8 million from the Public Housing Proceeds Program, offset by \$2.0 million of capital distributions from affiliates to lenders and investors.
- Total assets increased by \$63.7 million. This is primarily due to the change in reporting entity discussed above, increases in cash, cash equivalents, and investments, and notes receivable issued to related and non-related entities. These increases were offset by decrease in receivables from HUD.
- Total deferred outflows of resources decreased by \$3.9 million, primarily due to changes related to the pension plan, specifically the difference between projected and actual investment earnings, changes in assumptions, and difference between expected and actual experiences.
- Total liabilities increased by \$10.7 million. This increase is primarily due to the change in reporting entity discussed above, increases in accounts payables, Family-Self Sufficient (FSS) Escrow, and net OPEB liability, offset by a decrease in long-term debt.

**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.

## SANTA CLARA COUNTY HOUSING AUTHORITY

(A Component Unit of the County of Santa Clara)  
Management's Discussion and Analysis (Unaudited)  
June 30, 2025

- 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 post-employment 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 \$47.3 million as shown in the table below represents an increase of \$36.0 million due to change in reporting entity and the remaining \$11.3 million increase is related to current year operations. For details explaining the restatement of beginning net position and the changes due to current year operations, refer to the Financial Highlights section noted above.

**SANTA CLARA COUNTY HOUSING AUTHORITY**  
(A Component Unit of the County of Santa Clara)  
Management's Discussion and Analysis (Unaudited)  
June 30, 2025

The following table indicates the net position as of June 30, 2025 and 2024 (in thousands):

	June 30		Increase (Decrease)	
	2025	2024	Amount	Percent (%)
<b>Assets:</b>				
Current assets	\$ 258,144	\$ 277,899	\$ (19,755)	-7%
Noncurrent and other assets	323,445	280,840	42,605	15%
Capital assets	283,686	242,799	40,887	17%
Total assets	<u>865,275</u>	<u>801,538</u>	<u>63,737</u>	8%
Deferred outflows of resources related to pensions and OPEB	<u>7,655</u>	<u>11,575</u>	<u>(3,920)</u>	-34%
<b>Liabilities:</b>				
Current liabilities	21,332	19,300	2,032	11%
Noncurrent liabilities	119,878	111,176	8,702	8%
Total liabilities	<u>141,210</u>	<u>130,476</u>	<u>10,734</u>	8%
Deferred inflows of resources related to pensions and OPEB	<u>3,817</u>	<u>1,999</u>	<u>1,818</u>	91%
<b>Net Position</b>				
Net investment in capital assets	179,727	140,977	38,750	27%
Restricted	79,977	41,282	38,695	94%
Unrestricted	468,199	498,379	(30,180)	-6%
Total net position	<u>\$ 727,903</u>	<u>\$ 680,638</u>	<u>\$ 47,265</u>	7%

Current Assets

The Authority's current assets decreased by \$19.8 million. Absent the decrease of \$7.2 million related to the change of reporting entity, the remaining decrease of \$12.6 million is due to the following:

- A net increase of \$76.2 million in cash, cash equivalents and investments from real estate development activities, MTW program, HARA, internal services programs, public housing proceeds program, and affiliates.
- A decrease of \$90.5 million in receivables was primarily due to a net decrease of \$92.5 million in U.S. Department of Housing and Urban Development (HUD) receivables/reserves due to HAP payments, acquisition, development, and rehabilitation activities. This decrease is offset by \$2.0 million increase in other receivables.
- An increase of \$0.2 million in interest receivable.
- A net increase of \$1.4 million in due from component units and related parties primarily because of new notes receivable issued to affiliate entities in FY 2025.
- An increase of \$0.2 million in prepaid expenses.

Noncurrent and Other Assets

The Authority's noncurrent and other assets increased by \$42.6 million due to the following:

- A net decrease of \$6.0 million in cash, cash equivalents and investments, mainly attributable to the reclassification of long-term investments to short-term investments in HARA.

## SANTA CLARA COUNTY HOUSING AUTHORITY

(A Component Unit of the County of Santa Clara)  
Management's Discussion and Analysis (Unaudited)  
June 30, 2025

- Long-term receivables from non-related parties increased by \$8.9 million primarily due to loans provided to First Community Housing to support the operations and preservation of their affordable housing portfolio, and to JHC (Jamboree Housing Corporation) 4th Street LLC related to the acquisition and rehabilitation of the Pavilion Inn.
- A net increase of \$38.7 million in long-term receivables from component units and related parties is primarily driven by a \$44.5 million increase in notes receivable issued to affiliate entities in FY 2025 and \$2.3 million that were eliminated in FY 2024 but not in FY 2025 due to fiscal year-end timing differences between the Authority and its affiliates. These increases were partially offset by \$8.1 million in notes receivable that were repaid during the year.
- An increase of \$1.6 million in net pension assets is primarily due to plan investment income.
- A decrease of \$0.6 million in equity interest in affiliated limited partnerships.

### Capital Assets

The Agency's capital assets increased by \$40.9 million. Absent the increase of \$47.1 million due to change in reporting entity, the Authority's capital assets decreased by \$6.2 million, primarily due to the following:

- A decrease of \$4.1 million in land resulted from the sale of the 715 East St. John St. land to Hawthorn Senior Apartments L.P.
- A decrease of \$6.7 million due to change in accumulated depreciation.
- A net increase of \$3.6 million in construction in progress from Poco Way HDC, Inc., First Street Projects, Willows Resyndication LP, and other development activities.
- A net increase of \$0.7 million in buildings and building improvements was primarily due to the elevator modernization at the 505 Julian Street office building and building improvements made to affiliate properties.
- An increase of \$0.3 million in furniture and equipment was primarily attributed to purchases made by Helzer Associates LP and the Authority's Information Technology department.

Additional information on the Authority's capital assets can be found in Note 6 "Capital Assets" to the basic financial statements.

### Deferred Outflows of Resources

The net decrease of \$3.9 million in deferred outflows of resources is attributed to the pension plan, specifically the difference between projected and actual investment earnings, changes in actuarial assumptions, and difference between expected and actual experience.

### Current Liabilities

The Authority's current liabilities increased by \$2.0 million. Absent the increase of \$2.5 million due to change in reporting entity, the remaining decrease of \$0.5 million is primarily due to the following:

- An increase of \$1.1 million in accounts payable is related to timing of disbursements.
- A decrease of \$0.1 million in accrued interest payable.
- A net decrease of \$2.6 million in current payables to component units and related parties is primarily due to notes that were eliminated in FY 2025 but not in FY 2024 due to fiscal year-end timing differences between the Authority and its affiliates.

**SANTA CLARA COUNTY HOUSING AUTHORITY**  
(A Component Unit of the County of Santa Clara)  
Management’s Discussion and Analysis (Unaudited)  
June 30, 2025

- An increase of \$1.2 million in accrued compensated absence liability, mainly due to reclassification from noncurrent liabilities to current liabilities, along with liabilities incurred during FY 2025.
- A decrease of \$0.1 million in current portion of long-term debt.

Noncurrent Liabilities

The Authority’s noncurrent liabilities increased by \$8.7 million. Absent the increase of \$5.7 million due to change in reporting entity, the remaining increase of \$3.0 million is primarily due to the following:

- An increase of \$1.2 million in FSS Escrow balance is due to the participants’ escrow income earned during FY 2025, offset by graduation disbursements.
- A decrease of \$0.9 million in accrued compensated absence liability, mainly due to reclassification from noncurrent liabilities to current liabilities.
- An increase of \$3.3 million in long-term payables to component units mainly due to notes that were eliminated in FY 2024 but not in FY 2025 due to fiscal year-end timing differences between the Authority and its affiliates.
- An increase of \$0.7 million in long-term interest payable.
- A decrease of \$2.6 million in long-term debt is explained in detail in the Long-Term Debt and Related Activities section below.
- An increase of \$1.4 million in net OPEB liability primarily due to benefit changes implemented in FY 2024.

Long-Term Debt and Related Activities

	June 30		Increase (Decrease)	
	2025	2024	Amount	Percent (%)
<b><u>Section 8 Rental Voucher Program</u></b>				
Notes payable	\$ 972	\$ 972	\$ -	0%
<b><u>Other Payables</u></b>				
Accrued vacation and sick leave	2,334	2,016	318	16%
Other blended component units	101,333	98,439	2,894	3%
Interest payable	10,130	9,530	600	6%
SBITA	1,653	2,411	(758)	-31%
Total primary government	<u>\$ 116,422</u>	<u>\$ 113,368</u>	<u>\$ 3,054</u>	<u>3%</u>

The Agency’s long-term debt increased by \$3.1 million. Absent the increase of \$4.9 million due to change in reporting entity, the Authority’s long-term debt decreased by \$1.8 million. This was primarily due to the decrease of \$1.9 million in scheduled principal payments, and \$0.8 million decrease in SBITA liability. The decrease was offset by 0.6 million increase in interest payable and \$0.3 million increase in accrued vacation and sick leave. Additional information can be found in Note 7, "Long-Term Obligations", of the basic financial statements.

Deferred Inflows of Resources

The increase of \$1.8 million in deferred inflows of resources is due to changes in pension and OPEB plans’ changes of assumptions, as well as differences between expected and actual experience for actuarial assumptions.

**SANTA CLARA COUNTY HOUSING AUTHORITY**  
(A Component Unit of the County of Santa Clara)  
Management's Discussion and Analysis (Unaudited)  
June 30, 2025

**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, 2025 and 2024 is shown in the following table (in thousands):

	June 30		Increase (Decrease)	
	2025	2024	Amount	Percent (%)
<b>Operating revenues</b>				
Rental income	\$ 34,380	\$ 23,294	\$ 11,086	48%
Service fees	790	595	195	33%
HUD housing assistance payment earned	490,319	539,833	(49,514)	-9%
HUD administrative fees	32,218	30,682	1,536	5%
FSS coordinator fees	776	564	212	38%
Operating subsidy	17	19	(2)	-11%
Developer fee	974	1,665	(691)	-42%
Asset management fee	883	827	56	7%
Other operating revenues	4,396	1,568	2,828	180%
Total operating revenues	<u>564,753</u>	<u>599,047</u>	<u>(34,294)</u>	-6%
<b>Operating expenses</b>				
Wages and benefits	28,178	23,181	4,997	22%
Pension and OPEB expense	8,178	5,978	2,200	37%
Administrative	6,565	3,433	3,132	91%
Tenant services	3,143	1,730	1,413	82%
Utilities	3,401	2,447	954	39%
Maintenance and operations	9,236	6,452	2,784	43%
General	3,304	1,971	1,333	68%
Depreciation and amortization	8,948	6,961	1,987	29%
Housing assistance payments	481,456	463,760	17,696	4%
Other	6,469	5,512	957	17%
Total operating expenses	<u>558,878</u>	<u>521,425</u>	<u>37,453</u>	7%
Operating income (loss)	<u>5,875</u>	<u>77,622</u>	<u>(71,747)</u>	-92%
<b>Nonoperating revenues (expenses)</b>				
Loss on disposal of capital assets	(81)	(6,176)	6,095	-99%
Investment income	12,018	9,763	2,255	23%
Interest expense	(6,240)	(5,207)	(1,033)	20%
Other nonoperating revenues	1,651	793	858	108%
Total nonoperating revenues (expenses)	<u>7,348</u>	<u>(827)</u>	<u>8,175</u>	-989%
Capital contributions - grants	33	617	(584)	-95%
Capital distribution	(2,030)	(230)	(1,800)	783%
Change in net position	<u>11,226</u>	<u>77,182</u>	<u>(65,956)</u>	-85%
Net position, beginning of year, as previously reported	680,638	603,454	77,184	13%
Change in reporting entity	36,039	2	36,037	1801850%
Net position, beginning of year, as restated	<u>716,677</u>	<u>603,456</u>	<u>113,221</u>	19%
Net position, end of year	<u>\$ 727,903</u>	<u>\$ 680,638</u>	<u>\$ 47,265</u>	7%

## SANTA CLARA COUNTY HOUSING AUTHORITY

(A Component Unit of the County of Santa Clara)  
Management's Discussion and Analysis (Unaudited)  
June 30, 2025

**Revenues:** the Agency's total operating revenues decreased by \$34.3 million. Absent the increase of \$9.9 million due to change in reporting entity, the Authority's operating revenues decreased by \$44.2 million primarily due to the following:

- An increase of \$1.3 million in rental income from affiliates and real estate development activities. Of the \$11.1 million variance in the table above, \$9.8 million is driven by the change in reporting entity.
- An increase of \$0.2 service fee revenues from increased management fees earned by affiliates.
- A decrease of \$49.5 million in HAP revenues earned from HUD primarily due to:
  - A \$54.4 million decrease in MTW Section 8 Housing Choice Voucher (HCV) funding was primarily due to HUD allocating \$66.0 million more in funding eligibility during the last two quarters of FY 2024 than anticipated. HUD later reduced the funding eligibility for the first two quarters of FY 2025. Additionally, FY 2024 included \$1.9 million more in tenant protection and fair share voucher funding. These decreases were partially offset by a \$13.5 million increase in funding eligibility during the last two quarters of FY 2025 due to higher CY 2025 funding factors.
  - An increase of \$4.9 million in HAP revenues from Special Purpose Vouchers (SPV) was due to higher HAP expenditures in FY 2025, as SPV funding from HUD is based on the expenditure levels.
- HUD administrative fee revenue increased by \$1.5 million in FY 2025, primarily due to a 1.6 percent increase in the voucher lease-up rate and a 4 percent increase in the HUD administrative fee rate, partially offset by a 3.6 percent decrease in the average HUD proration factor.
- An increase of \$0.2 million in Family Self-Sufficiency (FSS) Coordinator Grants from HUD.
- A net decrease of \$0.7 million in developer fees from real estate development activities is primarily attributable to a \$1.6 million decrease in developer fees received in FY 2024, largely from Park Ave Senior LP excess cash distributions and the construction close-out of Alvarado Park LP. This decrease was partially offset by a \$0.7 million increase in developer fees received in FY 2025 from Hawthorn Senior Apartments LP and \$0.2 million from Laurel Grove Lane LP.
- A net increase of \$2.8 million in other operating revenues primarily due to a \$2.2 million grant North First Gish Holding LLC received from the City of San Jose in FY 2025 for the operations of First Street Interim Housing, as well as a \$0.7 million increase from affiliates due to the general partner's share of gains and losses reported on Schedule K-1.

**Expenses:** The Agency's total operating expenses increased by \$37.5 million. Absent the increase of \$5.8 million due to change in reporting entity, the Authority's increase of \$31.7 million in total operating expenses in FY 2025 is mainly due to the following:

- Wages and benefits increased by \$4.5 million, primarily due to filling of vacant positions and higher compensation levels resulting from the implementation of a Board-approved compensation study.
- Total pension and OPEB expenses increased by \$2.2 million, with the Authority recognizing \$8.2 million in expenses for FY 2025, up from \$6.0 million in FY 2024. This increase, driven by pension expense, is primarily due to changes in benefit terms resulting from the benefit changes implemented in FY 2023.
- Administrative expenses increased by \$3.0 million primarily due to higher expenditure levels in software license fees, legal, temporary staff, office rent, recruitment, and staff training.

## SANTA CLARA COUNTY HOUSING AUTHORITY

(A Component Unit of the County of Santa Clara)  
Management's Discussion and Analysis (Unaudited)  
June 30, 2025

- Tenant services increased by \$1.2 million from North First Gish Holding LLC because a full year of HomeFirst services was utilized in FY 2025, compared to only three months in FY 2024. HomeFirst is the tenant service provider for the First Street Interim Housing and offers a range of supportive services, including emergency shelter, case management, health stabilization, and housing placement assistance to help individuals transition to permanent housing.
- Utilities increased by \$0.3 million from affiliate properties.
- Maintenance and operations increased by \$1.6 million mainly due to ground maintenance and demolition costs incurred at Buena Vista Mobile Home Park during FY25.
- General expenses increased by \$1.1 million mainly due to higher project feasibility costs associated with real estate development activities, as well as increased insurance, lease expenses, and transfer taxes incurred by affiliates.
- Depreciation decreased by \$0.2 million.
- HAP payments increased by \$17.7 million primarily due to the following reasons:
  - New Small Area Fair Market Rent (SAFMR) payment standards by zip code implemented in January 2025 for Single Room Occupancy (SRO), 0 Bedroom (Studios), and 1 Bedroom to 4 Bedroom units.
  - 9 new Project Based Voucher (PBV) properties leased up (approximately 250 Units).
  - Increase in the lease up-rate for Foster Youth Initiative (FYI), Family Unification Program (FUP), Veterans Affairs Supportive Housing (VASH), and Stability vouchers (approximately 140 households).
- Other expenses increased by \$0.3 million due to higher property management fees incurred by affiliates, offset by lower administrative contracts incurred by Section 8 Rental Vouchers.

**Nonoperating Revenues (Expenses):** The Agency's nonoperating revenues increased by \$8.2 million. Absent the decrease of \$1.0 million in nonoperating expenses related to the change in reporting entity, the Authority's net nonoperating revenues increased by \$9.2 million. This increase was primarily attributable to the absence of a one-time, nonrecurring \$5.9 million loss from the disposition of capital assets that was recorded in FY 2024. In addition, investment income and other nonoperating revenues increased by \$2.2 million and \$0.9 million, respectively, driven largely by higher investment interest income resulting from favorable market conditions and by investor service fees and limited partner fees received from the 2024 Julian Street Partners, L.P. excess cash distribution.

**Capital Contributions – Grants:** the Authority's Capital contributions from grants decreased by \$0.6 million primarily due to lower Public Housing Capital Funds received from HUD in FY 2025.

**Capital Distributions:** The Agency's capital distributions increased by \$1.8 million. Absent the \$1.2 million increase due to change in reporting entity, the Authority's capital distributions increased by \$0.6 million, primarily due to higher capital distributions from Rincon Gardens Associates, LP in FY 2025.

### **Financial Analysis of the Authority's Programs**

At the end of the fiscal year, the unrestricted net position for the MTW program was \$67.2 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.

**SANTA CLARA COUNTY HOUSING AUTHORITY**  
(A Component Unit of the County of Santa Clara)  
Management’s Discussion and Analysis (Unaudited)  
June 30, 2025

In addition, at the end of the fiscal year, the unrestricted net position for other significant programs were shown in the table below (in thousands):

Programs	Amount
Conventional Housing	\$ 36
Public Housing Capital	617
Section 8 Rental Voucher	5,472
Special Purpose Voucher	1,637
Public Housing Proceeds Program	79,534
Section 8 Moderate Rehabilitation	-
Development Services	307,205
Asset Management	(688)
Resident Services	-
Supportive Housing Services	-

**Economic Outlook**

The housing market in California, and particularly in Santa Clara County, continues to present significant challenges for the Housing Authority, driven by housing supply constraints, elevated living costs, and evolving federal policies that sustain high demand for assistance while increasing program delivery costs.

At the federal level, uncertainty surrounding long-term appropriations, particularly amid the ongoing use of continuing resolutions remains a significant consideration for financial planning. While continuing resolutions typically maintain funding at prior-year levels, the current federal budget environment introduces heightened uncertainty that final FY 2026 appropriations for HUD programs may be reduced, potentially limiting funding availability relative to increasing housing costs. Given the Authority’s Housing Choice Voucher program size, with approximately \$522 million in annual funding, prolonged delays in full federal appropriations could be challenging. While HUD has historically implemented measures to mitigate short-term disruptions, federal funding levels and policy direction remain critical external factors affecting the funding for FY 2026.

As a Moving-to-Work agency, the Authority benefits from enhanced flexibility in program design and resource allocation, supporting its ability to manage funding variability while maintaining service levels. This flexibility, combined with conservative financial planning, strengthens the Authority’s resilience amid federal funding uncertainty.

Higher construction costs and availability of funding continue to affect affordable housing development feasibility and timelines. In response, the Authority has emphasized strategic partnerships and is targeting other funding mechanisms to manage development costs and advance the preservation and expansion of affordable housing.

Despite these external pressures, the Authority enters FY 2026 in a strong financial position. Adequate liquidity, conservative budgeting practices, and the availability of reserves provide capacity to manage economic volatility and support ongoing investments. This financial strength was reflected in the reaffirmation of the Authority’s ‘AA-’ credit rating with a stable outlook by S&P Global Ratings.

Looking ahead, the Authority will continue to align financial and operational strategies to ensure the Authority remains fiscally sound while investing in its future and delivering services in accordance with our mission.

**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, Emily De La Guerra, Chief Financial Officer, 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, 2025 (With Discretely Presented Component units as of December 31, 2024)

(With Comparative Totals as of June 30, 2024 and December 31, 2023)

	Primary Government - Business-type Activities		Discretely Presented Component Units	
	2025	2024	2024	2023
<b>Assets:</b>				
Current assets:				
Unrestricted cash and cash equivalents (Note 3)	\$ 92,956,742	\$ 94,003,573	\$ 30,260,419	\$ 39,144,934
Unrestricted short term investments (Note 3)	58,527,586	26,838,009	-	-
Accounts receivable:				
Tenants	197,441	255,458	254,452	389,669
HUD (Note 15)	24,987,015	117,510,877	436,898	235,420
Others	3,101,555	892,277	153,136	2,490,212
Interest receivable	269,548	105,154	-	-
Due from component units and related parties (Note 9)	2,493,104	1,080,718	-	-
Prepaid expenses	1,898,294	1,611,857	1,209,386	831,788
Restricted cash and cash equivalents (Note 3)	73,400,025	35,302,077	20,666,022	22,353,594
Restricted short term investments (Note 3)	313,145	298,735	-	-
Total current assets	<u>258,144,455</u>	<u>277,898,735</u>	<u>52,980,313</u>	<u>65,445,617</u>
Noncurrent assets:				
Long-term investments (Note 3)	40,478,540	46,687,475	-	-
Restricted long-term investments (Note 3)	2,610,394	2,403,016	-	-
Long-term receivables from non-related parties (Note 4)	20,279,903	11,428,051	-	-
Long-term receivables from component units and related parties (Note 9)	244,813,495	206,140,329	-	-
Net pension asset (Note 12)	11,056,267	9,416,861	-	-
Equity interest in affiliated limited partnerships (Note 9)	4,206,273	4,765,139	-	-
Other assets	-	-	208,220	140,241
Capital assets (Note 6):				
Nondepreciable	147,171,799	150,475,025	120,944,550	106,222,730
Depreciable, net	136,513,716	92,323,931	358,391,751	338,860,718
Total capital assets	<u>283,685,515</u>	<u>242,798,956</u>	<u>479,336,301</u>	<u>445,083,448</u>
Total noncurrent assets	<u>607,130,387</u>	<u>523,639,827</u>	<u>479,544,521</u>	<u>445,223,689</u>
Total assets	<u>865,274,842</u>	<u>801,538,562</u>	<u>532,524,834</u>	<u>510,669,306</u>
<b>Deferred outflows of resources:</b>				
Pension related (Note 12)	4,769,630	8,774,806	-	-
Other post employment benefits (OPEB) related (Note 13)	2,886,055	2,800,122	-	-
Total deferred outflows of resources	<u>7,655,685</u>	<u>11,574,928</u>	<u>-</u>	<u>-</u>

(Continued)

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Statement of Net Position (Continued)

June 30, 2025 (With Discretely Presented Component units as of December 31, 2024)

(With Comparative Totals as of June 30, 2024 and December 31, 2023)

	Primary Government - Business-type Activities		Discretely Presented Component Units	
	2025	2024	2024	2023
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	\$ 5,864,614	\$ 4,528,182	\$ 27,004,486	\$ 15,130,333
Accrued wages and benefits	601,362	418,418	-	-
Accrued interest payable (Notes 7 and 17)	1,541,653	1,640,590	559,238	758,868
Intergovernmental payable	79,655	103,698	-	-
Payable to component units and related parties	1,214,596	3,438,699	1,449,722	1,488,660
Due to primary government	-	-	3,285,150	5,467,768
Other accrued liabilities	11,794	21,645	-	-
Tenant security deposits	1,190,424	937,163	1,700,365	1,796,895
Unearned revenue	2,727,494	2,726,147	398,362	310,563
Current portion of accrued vacation and sick leave (Note 7)	1,357,950	138,912	-	-
Current portion of FSS escrow	568,005	605,977	-	-
Current portion of long-term obligations (Notes 7 and 17)	6,174,941	4,740,349	4,445,419	5,905,608
Total current liabilities	<u>21,332,488</u>	<u>19,299,780</u>	<u>38,842,742</u>	<u>30,858,695</u>
Noncurrent liabilities:				
FSS escrow	4,368,020	3,195,563	-	-
Accrued vacation and sick leave, net of current portion (Note 7)	975,583	1,877,323	-	-
Payable to component units and related parties, net of current portion	5,759,768	79,867	-	-
Long-term interest payable (Notes 7 and 17)	8,588,084	7,889,301	2,414,845	2,607,637
Long-term obligations, net of current portion (Notes 7 and 17)	97,783,217	97,081,133	201,070,323	169,267,756
Advance from primary government	-	-	217,004,413	195,988,557
Net OPEB liability (Note 13)	2,403,094	1,052,911	-	-
Total noncurrent liabilities	<u>119,877,766</u>	<u>111,176,098</u>	<u>420,489,581</u>	<u>367,863,950</u>
Total liabilities	<u>141,210,254</u>	<u>130,475,878</u>	<u>459,332,323</u>	<u>398,722,645</u>
<b>Deferred inflows of resources:</b>				
Pension related (Note 12)	1,401,755	188,424	-	-
OPEB related (Note 13)	2,415,293	1,810,858	-	-
Total deferred inflows of resources	<u>3,817,048</u>	<u>1,999,282</u>	<u>-</u>	<u>-</u>
<b>Net position:</b>				
Net investment in capital assets	179,727,357	140,977,474	93,887,486	88,937,681
Restricted	79,976,933	41,282,051	14,823,290	16,187,382
Unrestricted	468,198,935	498,378,805	(35,518,265)	6,821,598
Total net position	<u>\$727,903,225</u>	<u>\$680,638,330</u>	<u>\$ 73,192,511</u>	<u>\$111,946,661</u>

**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, 2025 (With Discretely Presented Component units for the yearended December 31, 2024)

(With Comparative Totals For the Year Ended June 30, 2024 and December 31, 2023)

	Primary Government - Business-type Activities		Discretely Presented Component Units	
	2025	2024	2024	2023
Operating revenues:				
Rental income	\$ 34,380,240	\$ 23,293,498	\$ 41,502,519	\$ 43,552,001
Service fees	790,503	595,286	-	-
HUD housing assistance payments earned	490,318,837	539,832,714	-	-
HUD administrative fees	32,217,621	30,682,027	-	-
Developer fee	974,002	1,664,907	-	-
Asset management fee	882,531	827,156	-	-
Other	5,189,484	2,151,309	329,676	265,046
Total operating revenues	<u>564,753,218</u>	<u>599,046,897</u>	<u>41,832,195</u>	<u>43,817,047</u>
Operating expenses:				
Wages and benefits	28,177,662	23,180,870	-	-
Pension and OPEB expense (Notes 12 and 13)	8,177,648	5,977,465	-	-
Administrative	6,564,790	3,432,983	5,510,305	5,348,953
Tenant services	3,143,590	1,729,982	-	-
Utilities	3,400,741	2,446,989	3,413,228	3,153,868
Maintenance and operations	9,236,018	6,451,550	7,207,824	6,680,662
General	3,304,546	1,971,121	662,278	1,030,473
Depreciation and amortization	8,948,392	6,961,168	11,285,983	12,567,548
Housing assistance payments	481,455,648	463,759,957	-	-
Other	6,469,371	5,512,192	2,758,301	1,808,488
Total operating expenses	<u>558,878,406</u>	<u>521,424,277</u>	<u>30,837,919</u>	<u>30,589,992</u>
Operating income	<u>5,874,812</u>	<u>77,622,620</u>	<u>10,994,276</u>	<u>13,227,055</u>
Nonoperating revenues (expenses):				
Loss on disposal of capital assets	(81,057)	(6,176,087)	(111,928)	(347,357)
Investment income	12,018,261	9,763,138	89,708	124,712
Interest expense	(6,240,685)	(5,207,594)	(10,071,043)	(9,703,130)
Other nonoperating revenues (expenses), net	1,651,380	793,244	(4,316,724)	(4,130,169)
Total nonoperating revenues (expenses)	<u>7,347,899</u>	<u>(827,299)</u>	<u>(14,409,987)</u>	<u>(14,055,944)</u>
Income (loss) before capital contributions	13,222,711	76,795,321	(3,415,711)	(828,889)
Capital contributions - grants	33,497	617,466	-	-
Capital contributions (distribution)	(2,029,982)	(230,002)	700,230	191,216
Change in net position	<u>11,226,226</u>	<u>77,182,785</u>	<u>(2,715,481)</u>	<u>(637,673)</u>
Net position, beginning of year, as previously reported	680,638,330	603,454,007	111,946,661	112,585,872
Change in reporting entity (Note 1)	36,038,669	1,538	(36,038,669)	(1,538)
Net position, beginning of year, as restated	<u>716,676,999</u>	<u>603,455,545</u>	<u>75,907,992</u>	<u>112,584,334</u>
Net position, end of year	<u>\$ 727,903,225</u>	<u>\$ 680,638,330</u>	<u>\$ 73,192,511</u>	<u>\$ 111,946,661</u>

See accompanying notes to the basic financial statements

**SANTA CLARA COUNTY HOUSING AUTHORITY**  
(A Component Unit of the County of Santa Clara)  
Statement of Cash Flows  
For the Year Ended June 30, 2025  
(With Comparative Totals For the Year Ended June 30, 2024)

	Primary Government - Business-type Activities	
	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Receipts from tenants	\$ 35,655,508	\$ 23,488,252
Receipts from customers and others	5,853,159	7,354,295
Receipts from housing assistance programs	615,109,235	582,883,833
Payments to suppliers for goods and services	(30,707,837)	(19,346,058)
Housing assistance payments on behalf of tenants	(481,479,691)	(463,734,207)
Payments to employees for services	(30,407,282)	(25,742,702)
Net cash provided by operating activities	<u>114,023,092</u>	<u>104,903,413</u>
Cash flows from noncapital financing activities:		
Disbursements of loans and other receivables to non-related parties	(8,851,852)	(5,624,056)
Loan disbursement to related parties and component units	(37,701,551)	(28,789,042)
Loan receipt from related parties and component units	3,432,613	211,278
Net cash used in noncapital financing activities	<u>(43,120,790)</u>	<u>(34,201,820)</u>
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	4,562,847	-
Cash paid for change in reporting entity	(7,298,728)	(482,767)
Acquisition of capital assets	(5,468,763)	(25,525,598)
Capital contributions (distribution)	(1,996,485)	387,464
Repayments of long-term liabilities	(3,347,286)	(2,132,661)
Repayments of SBITA liabilities	(758,217)	(1,361,680)
Interest and other fees paid	(5,695,990)	(5,030,146)
Net cash used in capital and related financing activities	<u>(20,002,622)</u>	<u>(34,145,388)</u>
Cash flows from investing activities:		
Interest received	11,853,867	9,781,174
Net receipt (proceeds) from sale (purchase) of investments	6,001,557	(5,672,976)
Net cash provided by investing activities	<u>17,855,424</u>	<u>4,108,198</u>
Net change in cash and cash equivalents	68,755,104	40,664,403
Cash and cash equivalents, beginning of year	156,442,394	115,777,991
Cash and cash equivalents, end of year	<u>\$ 225,197,498</u>	<u>\$ 156,442,394</u>

(Continued)

**SANTA CLARA COUNTY HOUSING AUTHORITY**  
(A Component Unit of the County of Santa Clara)  
Statement of Cash Flows  
For the Year Ended June 30, 2025  
(With Comparative Totals For the Year Ended June 30, 2024)

	Primary Government - Business-type Activities	
	<u>2025</u>	<u>2024</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 5,874,812	\$ 77,622,620
Adjustment to reconcile operating income to net cash provided by operating activities:		
Depreciation	8,948,392	6,961,168
Others	1,651,380	793,244
Decrease (increase) in:		
Receivables	89,048,161	12,092,245
Prepaid expenses	(213,106)	(659,036)
Net pension asset	(1,639,406)	1,302,335
Net OPEB asset	-	2,270,000
Other assets	558,866	1,640,227
Deferred outflows of resources	3,919,243	(139,849)
Increase (decrease) in:		
Accounts payable	1,075,310	1,220,421
Accrued wages and benefits	182,944	49,190
Intergovernmental payable	(24,043)	25,750
Tenant security deposits and FSS escrow	1,192,346	273,728
Unearned revenues	(27,203)	1,520,266
Accrued vacation and sick leave	317,298	(350,784)
Other liabilities	(9,851)	(2,853)
Net OPEB liability	1,350,183	1,052,911
Deferred inflows of resources	1,817,766	(768,170)
Net cash provided by operating activities	<u>\$ 114,023,092</u>	<u>\$ 104,903,413</u>
Cash and cash equivalents:		
Unrestricted cash and cash equivalents	\$ 92,956,742	\$ 94,003,573
Unrestricted short term investments	58,527,586	26,838,009
Restricted cash and cash equivalents	73,400,025	35,302,077
Restricted short term investments	313,145	298,735
Total cash and cash equivalents	<u>\$ 225,197,498</u>	<u>\$ 156,442,394</u>
Noncash noncapital financing activities:		
Noncash capital and related financing activities:		
Change of capital assets from change in reporting entity	\$ 49,010,092	\$ (2,400,197)
Change of other assets from change in reporting entity	1,132,892	(2,866,901)
Change of long-term obligation from change in reporting entity	6,297,330	(17,601)
Change of other liabilities from change in reporting entity	508,257	510,494

See accompanying notes to the basic financial statements

# 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, 2025

## 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. 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, 2024 year-end, except for the Housing Development Corporation (the “Corporation”) which has a June 30, 2025 year-end.

Housing Development Corporation - A non-profit public benefit corporation organized on September 14, 1983, in the State of California. The Corporation 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 Corporation’s policies are determined by a five-member board. The Corporation has no employees and all work is done by the Authority staff or by consultants. In addition, the Corporation and the Authority have a financial and operational relationship which requires that the Corporation’s financial statements be blended into the Authority’s financial statements. The Corporation did not have any activity or balances to report for fiscal year 2025.

## 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, 2025

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.

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 acquired the 99.99% limited partnership interest. As the majority partner, the Authority can impose its will on Bascom HACSC Associates.

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.

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.

On April 7, 2023, DeRose HDC, Inc. became the sole owner of Sage Family Apartments LLC. Subsequently, on August 4, 2023, DeRose HDC, Inc. became the sole owner of Trillium Senior Apartments LLC. These LLCs were created to serve as a general partner with a 0.01% ownership of the Bayberry, Hawthorn, Primrose, Sage and Trillium LPs.

On June 17, 2024, DeRose HDC, Inc. became the sole owner of Buena Vista Commons LLC. Subsequently, on July 18, 2024, DeRose HDC, Inc. became the sole owner of Willows Resyndication LLC. These LLCs were created to serve as a general partner with a 0.01% ownership of the Bayberry, Buena Vista Commons, Hawthorn, Primrose, Sage, Trillium, and Willows Resyndication LPs.

## 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, 2025

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.

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.

Hawthorn Senior Apartments L.P. – A California limited partnership formed on September 2, 2021, to develop and operate 103-unit affordable housing complex 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. On October 30, 2024, an unaffiliated entity replaced the Authority as the limited partner. As a result, it is presented as a discretely presented component unit effective for the year ended December 31, 2024.

Helzer Associates, L.P. – A California limited partnership organized in March 1998 to develop and operate a 155-unit affordable housing complex location in San Jose, California. Pinmore HDC, Inc. is the 0.1% general partner and the Authority as the limited partners owns 99.9% of the entity. As the majority partner, the Authority can impose its will on Helzer Associates, L.P.

Julian Street Partners, L.P. - A California limited partnership 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). On March 31, 2024, the Authority acquired the 99.99% limited partnership interest. Avenida Espana, HDC, Inc., which is a non-profit organization affiliated with the Authority, owns 0.01% of the entity. Since the Authority can impose its will on this partnership upon the acquisition of the limited partnership interest, it is presented as a blended component unit effective for the year ended December 31, 2024.

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. As the majority partner, the Authority can impose its will on Klamath Associates, L.P.

North First Gish Holding LLC – A California limited partnership formed on September 1, 2023, to develop and operate housing complexes located in San Jose, California. Villa Garcia, Inc., an Authority affiliated corporation, is the sole owner of North First Gish Holding LLC. As the majority partner, the Authority can impose its will on North First Gish Holding LLC.

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 operate an

## 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, 2025

100-unit affordable senior housing project and an 82-unit affordable family 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, McCreery 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 mobile homes spaces 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.

Rincon Garden Associates L.P. - A California limited partnership formed on September 1, 2008, to develop and operate 200-unit low-income housing project for seniors located in the City of Campbell, Santa Clara County, California. On December 31, 2022, 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 Rincon Garden Associates L.P.

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.

Sage Family Apartments L.P. - A California limited partnership formed on April 21, 2023, to develop and operate a 129-unit affordable housing complex located in San Jose, California. Its general partner, Sage Family Apartments LLC, is an Authority affiliated 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 Sage Family Apartments L.P.

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. As the majority partner, the Authority can impose its will on San Pedro Gardens Associates, Ltd.

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, L.P.). 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.

## 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, 2025

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.

Trillium Senior Apartments L.P. – A California limited partnership formed on August 21, 2023, to develop and operate a 65-unit affordable housing complex located in San Jose, California. Its general partner, Trillium Senior Apartments LLC, is an Authority affiliated 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 Trillium Senior Apartments L.P.

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., a California limited partnership, which was formed on June 28, 2012, to acquire, rehabilitate, and operate the Villa Garcia Apartments. In November 2012, Clarendon Street, L.P. 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.

On April 7, 2022, VGI became the sole member of three newly formed LLCs, Las Golondrinas Acquisition LLC, Jardines Paloma Blanca Acquisition LLC and Girasol Acquisition LLC. These three LLCs were created to serve as a general partner with a 0.01% ownership of the limited partnerships. On November 14, 2022, VGI became the Managing Member of Bellarmino Place LLC a single purpose entity in the state of Delaware, which became the Managing General Partner of Bellarmino Place LP. On August 29, 2023, VGI became the sole owner of North First Gish Holding, LLC. The LLC was created to engage in business consistent with the charitable purpose of its sole member to acquire and own prospective projects. On October 20, 2023, VGI became the sole owner of Rincon de los Esteros LLC., created to purchase and manage Rincon de los Esteros Apartments. 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. - A non-profit corporation established in March 1990 to provide low-income families with housing facilities and services. Villa San Pedro HDC, Inc. is the managing general partner of Bendorf Drive, L.P., a California limited partnership, which was formed on February 7, 2013, to acquire, rehabilitate, and operate the Villa San Pedro Apartments. Villa San Pedro 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 provide guarantees on behalf of its partnership and has operational and financial responsibility.

Willows Resyndication L.P. - A California limited partnership formed on July 24, 2023, to develop and operate a 47-unit affordable housing complex located in San Jose, California. Its general partner, Willows Resyndication LLC, is an Authority affiliated 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 Willows Resyndication L.P.

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.

# 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, 2025

## 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, 2024 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 seven 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, Rincon De Los Esteros 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.

## Change in reporting entity

During the year ended December 31, 2024, the Authority changed its relationship with its partnerships as discussed above. The effect of the change in the reporting entity is as follows:

	Primary Government	Component Units
Net position, beginning of year, as previously reported	\$ 680,638,330	\$ 111,946,661
Change in reporting entity:		
Reclassification of blended component units (BCUs) to discretely presented component units (DCUs):		
Hawthorn Senior Apartments L.P.	833	(833)
Reclassification of DCUs to BCUs:		
Julian Street Partners L.P.	36,037,836	(36,037,836)
Total change in reporting entity	<u>36,038,669</u>	<u>(36,038,669)</u>
Net position, beginning of year, as restated	<u>\$ 716,676,999</u>	<u>\$ 75,907,992</u>

## 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.

## 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, 2025

### **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:

Section 8 Rental Voucher Program 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 19,900 units.

Moving to Work ("MTW") Program 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 for other programs. A summary of each significant program is provided below:

## 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, 2025

Asset Management is responsible for the effective stewardship of the Authority's portfolio of over 35 affordable housing communities. The Asset Management department is entrusted with the responsibility of optimizing the utilization of housing assets, ensuring their sustainability, and maximizing returns on investments. Key areas include property acquisition, maintenance and modernization strategies, risk mitigation, financial reporting, and compliance within regulatory and financial frameworks. The department is also responsible for managing third-party property management contracts which include operations related to property management, maintenance services, resident services, and compliance monitoring. The Asset Management unit oversees more than 2,900 residential housing units, which includes occupied homes that are owned by the Authority and its affiliated entities. The revenues for the Asset Management department are mostly derived from the fees earned from these activities.

Real Estate Development is responsible for the strategic planning, acquisition, financing and construction of multi-family and single-family properties to expand the supply of affordable housing and meet the evolving needs of the community. Key duties of the department include site identification, feasibility assessments, project design, financing, zoning and entitlements, community engagement, construction, and overall alignment with the Authority's mission. The department utilizes a wide variety of federal, state and local financing programs and opportunities for the benefit of the project and its residents and manages a wide variety of financing instruments with multiple lenders and investors. The department is also responsible for managing major rehabilitation of existing low-income housing units/projects. Revenues for the department are generated through developer fees and other certain specialized revenues.

Resident Services is responsible for delivering high-quality resident services across properties owned and managed by the Authority, with a focus on strengthening communities and improving long-term resident outcomes. The department's core functions include strategic planning, needs assessments, development of resident programs, implementation of targeted initiatives, and measurement of service impact over time. The Resident Services department provides services to more than 2,700 residential units through a combination of third-party service providers and direct service delivery.

Supportive Housing is responsible for ensuring the delivery of comprehensive services to residents with special needs living within the Authority's portfolio. The department manages contracts that support interim housing for individuals transitioning toward permanent housing and oversees service coordination that prioritizes ethics, compassion, empathy, and dignity. Key duties include contract development and negotiation, selection and oversight of service providers, participation in building design and planning to support resident needs, collaboration with property management teams, and engagement in communitywide initiatives aimed at reducing and ultimately ending homelessness.

### **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.

**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, 2025

**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, 2025, 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.

## 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, 2025

### Unearned revenue

Unearned revenue is recorded for transactions for which revenue has not yet been earned. At June 30, 2025, 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, 2025, offsetting amounts of \$8,075,004 were eliminated. The Authority also eliminated \$97,679,867 related to intercompany receivable/payable balances between and within programs from the consolidated financial statements. Furthermore, inter-program transfers of \$555,020,845 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, \$12,466,017 of internal charges for services and rent and \$1,275,934 of prepaid rent payments have been eliminated for the year ended June 30, 2025.

Cumulative gains from related party sales - The Authority may acquire or sell capital assets from other commonly controlled affiliates. Generally accepted accounting principles require 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.

## 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, 2025

### Net position

Net position includes the various net earnings from operating income, non-operating revenues and expenses, and capital contributions. Net position is classified into 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. At June 30, 2025, the primary government's restricted net position of \$80.0 million was mainly comprised of \$76.6 million of restricted cash, cash equivalents, investments, and receivables offset by related liabilities of \$7.7 million, and net pension asset of \$11.1 million.

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, 2025, the Authority implemented the following GASB Statements:

- 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. Implementation of this statement did not have a significant impact on the Authority's financial statements for the fiscal year ended June 30, 2025.
- In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide information to users of government financial statements about risks that could impact a government's financial health. The statement aims to improve the consistency and transparency of how governments disclose information about risk financing and insurance-related transactions. Implementation of this statement did not have a significant impact on the Authority's financial statements for the fiscal year ended June 30, 2025.

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

- In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and

**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, 2025

assessing a government’s accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for the Authority’s fiscal year ending June 30, 2026.

- In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this statement is to establish requirements for certain types of capital assets to be disclosed separately for purposes of note disclosures, and to establish requirements for capital assets held for sale and note disclosures for those capital assets. The requirements of this statement are effective for the Authority’s financial statements for the year ending June 30, 2026.
- In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. The objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this statement are effective for the Authority’s financial statements for the year ending June 30, 2027.

**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, 2025, 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	\$ 92,956,742	\$ 30,260,419	\$ 123,217,161
Unrestricted short term investments	58,527,586	-	58,527,586
Restricted cash and cash equivalents	73,400,025	20,666,022	94,066,047
Restricted short term investments	313,145	-	313,145
Long term investments	40,478,540	-	40,478,540
Restricted long term investments	2,610,394	-	2,610,394
Total	<u>\$ 268,286,432</u>	<u>\$ 50,926,441</u>	<u>\$ 319,212,873</u>
Deposits with financial institutions	\$ 166,356,767	\$ 50,926,441	\$ 217,283,208
Investments	101,929,665	-	101,929,665
Total	<u>\$ 268,286,432</u>	<u>\$ 50,926,441</u>	<u>\$ 319,212,873</u>

Custodial credit risk – deposits

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

The Authority entered into collateralization agreements with the custodian of its deposits pursuant to the California Government Code which requires that financial institutions 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.

**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, 2025

Investments authorized by the Authority

The Authority is empowered by 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 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.

## 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, 2025

- 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, mortgage 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. As of June 30, 2025, LAIF’s weighted average to maturity is 248 days. More information on LAIF investment pool can be found at <http://www.treasurer.ca.gov/pmia-laif/laif/>.

**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, 2025

**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.

A summary of the Authority's investments at June 30, 2025 is shown below:

<b>Investment</b>	<b>Credit Rating</b>	<b>June 30, 2025</b>	<b>Maturities (in years)</b>		
			<b>Less than 1</b>	<b>1-3</b>	<b>3-5</b>
Money Market Mutual Fund	Not rated	\$ 1,821,946	\$ 1,821,946	\$ -	\$ -
State Local Agency Investment Fund	Not rated	26,857,675	26,857,675	-	-
California Employers' Pension Prefunding Trust	Not rated	2,610,394	-	2,610,394	-
Negotiable Certificates of Deposits	Not rated	6,960,694	720,542	5,990,445	249,707
U.S. Federal Agencies Securities:					
Federal Agricultural Mortgage Corporation	Aaa	2,432,085	800,304	1,631,781	-
Federal Home Loan Bank	Aaa	34,267,924	14,151,491	15,372,060	4,744,373
Federal Farm Credit Bank	Aaa	3,580,790	-	3,580,790	-
Federal National Mortgage Association	Aaa	5,304,622	3,001,305	-	2,303,317
Tennessee Valley Authority	Aaa	1,087,776	1,087,776	-	-
U.S. Treasury Securities:					
United States Treasury Notes	Aaa	1,483,470	1,483,470	-	-
Corporate Bonds:					
Apple Inc	Aaa	977,070	-	977,070	-
AstraZeneca Finance	A1	973,390	973,390	-	-
Bank New York Mellon Corp	Aa3	710,993	710,993	-	-
Bank Of America Corp Serv N Mtn	A1	724,095	724,095	-	-
BP Cap Mkts Amer Inc	A1	786,971	786,971	-	-
Bristol-Myers Squibb Co	A2	346,738	346,738	-	-
Citigroup Inc	A3	744,278	744,278	-	-
Citigroup Inc Ser G Mtc	A3	289,503	-	289,503	-
Deere John Capital Corp	A1	762,516	-	762,516	-
Exxon Mobil Corp	Aa2	992,350	992,350	-	-
Goldman Sachs Group Inc	A2	497,760	497,760	-	-
Goldman Sachs Group Inc Mtn	A2	291,564	291,564	-	-
JPMorgan Chase & Co	A1	1,959,320	1,959,320	-	-
Microsoft Corp	Aaa	501,310	-	501,310	-
Morgan Stanley Ser F Mtn	A1	740,625	-	740,625	-
PayPal Hldgs Inc	A3	466,450	-	466,450	-
Phillips 66	A3	147,036	147,036	-	-
PNC Financial Svcs Group Inc	A3	983,930	-	983,930	-
Public Storage	A2	482,740	-	482,740	-
Public Service Elec & Gas Co	A1	967,804	-	967,804	-
Tele Communications Inc	A3	434,119	-	434,119	-
Wells Fargo & Co	A1	741,727	741,727	-	-
Subtotal Corporate Bonds		15,522,289	8,916,222	6,606,067	-
<b>Total investments</b>		<b>\$ 101,929,665</b>	<b>\$ 58,840,731</b>	<b>\$ 35,791,537</b>	<b>\$ 7,297,397</b>

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.

**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, 2025

A summary of the Authority’s hierarchy of inputs of its investments at June 30, 2025 is shown below:

Type of Investment	
Investment by fair value hierarchy - Level 1:	
U.S. Treasury Securities	\$ 1,483,470
Investment by fair value hierarchy - Level 2:	
U.S. Federal Agency Securities	46,673,197
Negotiable Certificate of Deposits	6,960,694
Corporate Bonds	15,522,289
Subtotal investments by fair value hierarchy - Level 2	69,156,180
Investment not subject to fair value hierarchy:	
Money Market Mutual Funds	1,821,946
State Local Agency Investment Fund	26,857,675
California Employers' Pension Prefunding Trust	2,610,394
Subtotal investment not subject to fair value hierarchy	31,290,015
<b>Total investments</b>	<b>\$ 101,929,665</b>

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

In January 2013, the Authority entered into an Amended and Restated Promissory Note with the Ford Road Family Housing, L.P., a California limited partnership in the amount of \$5,760,000. The note bears simple interest at the rate of zero percent per year and 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 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, 2025, the amount due to the Authority is \$5,355,917.

In September 2021, Poco Way HDC, Inc. entered into three 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 that the property or any interest therein is sold, assigned, transferred, conveyed, or encumbered, or the property is moved out. As of June 30, 2025, the amount due to the Authority is \$262,994.

On April 7, 2022, the Authority entered into two notes with JHC-4<sup>th</sup> Street LLC, a California limited liability company not to exceed the total of \$16,200,000. On January 23, 2023, the total amount of the notes was reduced to \$10,700,000. The notes bear simple interest at a rate of three percent per annum from the date of disbursement until full repayment of the principal balance of the loan. As of June 30, 2025, the amount due to the Authority is \$9,636,330 in principal and \$360,243 in interest.

On September 5, 2024, the Authority entered a note with First Community Housing, a nonprofit corporation in the amount not to exceed \$5,000,000. The note bears simple interest at a rate of four percent per annum from the date of disbursement until full repayment of the principal balance of the loan. As of June 30, 2025, the amount due to the Authority is \$4,597,883 in principal and \$66,536 in interest.

**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, 2025

**Note 5 - Disposition of public housing properties**

As of June 30, 2025, 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 this remaining public housing project.

**Note 6 - Capital assets**

The primary government's capital assets activity for the year ended June 30, 2025 was as follows:

	July 1, 2024	Change in reporting entity	July 1, 2024, as restated	Additions	Reductions/ Transfers	June 30, 2025
Capital assets, not being depreciated:						
Land	\$ 135,937,007	\$ -	\$ 135,937,007	\$ -	\$ (4,100,000)	\$ 131,837,007
Construction in progress	14,538,018	(2,794,530)	11,743,488	4,185,981	(594,677)	15,334,792
Total capital assets, not being depreciated	150,475,025	(2,794,530)	147,680,495	4,185,981	(4,694,677)	147,171,799
Capital assets, being depreciated:						
Structures	189,937,214	76,322,751	266,259,965	905,414	(238,914)	266,926,465
Furniture and equipment	12,004,770	823,371	12,828,141	377,368	(16,019)	13,189,490
Total capital assets, being depreciated	201,941,984	77,146,122	279,088,106	1,282,782	(254,933)	280,115,955
Less accumulated depreciation						
Structures	(102,032,389)	(25,286,780)	(127,319,169)	(7,500,484)	305,706	(134,513,947)
Furniture and equipment	(10,432,138)	(54,720)	(10,486,858)	(661,777)	-	(11,148,635)
Total accumulated depreciation	(112,464,527)	(25,341,500)	(137,806,027)	(8,162,261)	305,706	(145,662,582)
SBITA assets, being amortized:						
SBITA assets	4,046,000	-	4,046,000	-	-	4,046,000
Less accumulated amortization	(1,199,526)	-	(1,199,526)	(786,131)	-	(1,985,657)
SBITA assets, being amortized, net	2,846,474	-	2,846,474	(786,131)	-	2,060,343
Total capital assets, being depreciated and amortized, net	92,323,931	51,804,622	144,128,553	(7,665,610)	50,773	136,513,716
Total capital assets, net	\$ 242,798,956	\$ 49,010,092	\$ 291,809,048	\$ (3,479,629)	\$ (4,643,904)	\$ 283,685,515

The primary government reported depreciation and amortization expenses in the amount of \$8,948,392 for the year ended June 30, 2025.

During the year ended June 30, 2025, the Authority sold land at book value of \$4,100,000 to Hawthorn Senior Apartments L.P., a discretely presented component unit.

**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, 2025

The discretely presented component units' capital assets activity for the year ended December 31, 2024 is as follows:

	January 1, 2024	Change in reporting entity	January 1, 2024 as restated	Additions	Reductions/ Transfers	December 31, 2024
Capital assets, not being depreciated:						
Land	61,285,444	-	61,285,444	4,547,668	(45,971)	65,787,141
Construction in progress	44,937,286	2,794,530	47,731,816	44,249,081	(36,823,488)	55,157,409
Total capital assets, not being depreciated	<u>106,222,730</u>	<u>2,794,530</u>	<u>109,017,260</u>	<u>48,796,749</u>	<u>(36,869,459)</u>	<u>120,944,550</u>
Capital assets, being depreciated:						
Structures	435,265,599	(76,322,751)	358,942,848	81,838,010	(348,187)	440,432,671
Furniture and equipment	7,090,568	(823,371)	6,267,197	1,086,838	-	7,354,035
Total capital assets, being depreciated	<u>442,356,167</u>	<u>(77,146,122)</u>	<u>365,210,045</u>	<u>82,924,848</u>	<u>(348,187)</u>	<u>447,786,706</u>
Less accumulated depreciation	<u>(125,396,097)</u>	<u>25,341,500</u>	<u>(100,054,597)</u>	<u>(11,245,785)</u>	<u>236,259</u>	<u>(111,064,123)</u>
Lease assets, being amortized						
Lease assets	21,900,648	-	21,900,648	-	(231,480)	21,669,168
Total lease assets, being amortized	<u>21,900,648</u>	<u>-</u>	<u>21,900,648</u>	<u>-</u>	<u>(231,480)</u>	<u>21,669,168</u>
Total capital assets, being depreciated and amortized, net	<u>338,860,718</u>	<u>(51,804,622)</u>	<u>287,056,096</u>	<u>71,679,063</u>	<u>(343,408)</u>	<u>358,391,751</u>
Total capital assets, net	<u>445,083,448</u>	<u>(49,010,092)</u>	<u>396,073,356</u>	<u>120,475,812</u>	<u>(37,212,867)</u>	<u>479,336,301</u>

The discretely presented component units reported depreciation expense in the amount of \$11,245,785 for the year ended December 31, 2024.

As discussed in Note 1, during the year ended December 31, 2024, Hawthorn Senior Apartments L.P. changed from a blended component unit to a discretely presented component unit, while Julian Street Partners L.P. changed from a discretely presented component unit to a blended component unit. As a result, the Authority restated the beginning capital assets balance of \$2,930,964 for Hawthorn Senior Apartments L.P. and \$51,941,056 for Julian Street Partners L.P.

**Note 7 - Long-term obligations**

Outstanding long-term obligations consisted of the following at June 30, 2025:

Type of Indebtedness (purpose)	Maturity	Interest Rate	Principal Installment	Original Issue Amount	Balance as of June 30, 2025
<b>Notes Payable</b>					
City of San Jose	8/13/2025	4%	\$ 972,500	\$ 972,500	\$ 972,500
<b>Blended Component Units (detailed information in Note 17)</b>					101,332,757
<b>SBITA Liabilities</b>					1,652,901
Total primary government					<u>\$ 103,958,158</u>

**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, 2025

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

	July 1, 2024	Change in reporting entity	July 1, 2024, as restated	Additions	Retirements	June 30, 2025	Due within one year
<b>Notes Payable</b>							
Payable to the City of San Jose	\$ 972,500	\$ -	\$ 972,500	\$ -	\$ -	\$ 972,500	\$ 972,500
<b>Blended Component Units</b>							
AE Associates	4,328,186	-	4,328,186	-	24,818	4,303,368	1,022,860
Bascom HACSC Associates	4,555,000	-	4,555,000	-	135,000	4,420,000	145,000
Blossom River Associates	9,443,783	-	9,443,783	-	311,367	9,132,416	345,000
HACSC/Choices Family Associates	14,094,636	-	14,094,636	-	317,265	13,777,371	275,512
HACSC/Choices Senior Associates	10,109,909	-	10,109,909	-	136,181	9,973,728	155,000
Helzer Associates	12,756,067	-	12,756,067	-	340,500	12,415,567	385,000
Julian Street Partners LP	-	6,242,179	6,242,179	-	1,402,713	4,839,466	1,545,000
Klamath Associates	857,682	-	857,682	-	48,106	809,576	52,845
Poco Way HDC, Inc	29,000,000	-	29,000,000	-	-	29,000,000	-
Rincon Gardens Associates	9,925,943	-	9,925,943	-	373,793	9,552,150	404,137
Rotary Plaza/Hacsc HDC Inc	281,799	-	281,799	-	191,046	90,753	-
San Pedro Gardens Associates	1,489,500	-	1,489,500	-	-	1,489,500	-
S.P.G. Housing Inc.	1,595,359	-	1,595,359	-	66,497	1,528,862	69,144
Total blended component units	<u>98,437,864</u>	<u>6,242,179</u>	<u>104,680,043</u>	<u>-</u>	<u>3,347,286</u>	<u>101,332,757</u>	<u>4,399,498</u>
<b>Interest Payable</b>							
Other programs	705,814	-	705,814	38,900	20,000	724,714	724,714
Blended component units	8,824,077	55,151	8,879,228	4,027,603	3,501,808	9,405,023	816,939
Total interest payable	<u>9,529,891</u>	<u>55,151</u>	<u>9,585,042</u>	<u>4,066,503</u>	<u>3,521,808</u>	<u>10,129,737</u>	<u>1,541,653</u>
<b>SBITA Liabilities</b>	2,411,118	-	2,411,118	-	758,217	1,652,901	802,943
<b>Accrued Vacation and Sick Leave</b>	2,016,235	-	2,016,235	1,322,258	1,004,960	2,333,533	1,357,950
Total Primary Government	<u>\$113,367,608</u>	<u>\$ 6,297,330</u>	<u>\$119,664,938</u>	<u>\$ 5,388,761</u>	<u>\$ 8,632,271</u>	<u>\$116,421,428</u>	<u>\$ 9,074,544</u>

As discussed in Note 1, during the year ended December 31, 2024, Julian Street Partners L.P. changed from a discretely presented component unit to a blended component unit. As a result, the Authority restated the beginning long-term obligations balance of \$6,297,330.

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

	<u>Principal</u>	<u>Interest</u>
Year Ending June 30, 2026	<u>\$ 972,500</u>	<u>\$ 3,676</u>

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.

As part of normal operations, the Authority entered into various subscription-based information technology arrangements (SBITAs) for operations. SBITA liabilities were calculated based on the Net Present Value (NPV) of future subscription payments, discounted using daily treasury par yield curve rates for the term of the contract. The Authority only recorded SBITA liabilities for arrangements with NPV of \$250,000 or more.

**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, 2025

The annual payment requirements for the primary government’s SBITA liabilities are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>
2026	\$ 802,943	\$ 60,128
2027	849,958	24,999
	<u>\$1,652,901</u>	<u>\$ 85,127</u>

**Note 8 - Deficit net position**

The following blended and discretely presented component units have a deficit net position as of December 31, 2024:

**Blended Component Units**

A.E. Associates, LP	\$ (4,893,873)
Avenida Espana HDC, Inc.	(2,730,790)
Blossom River Associates, LP	(6,359,188)
Bracher HDC. INC.	(1,878,672)
DeRose HDC, Inc.	(897,914)
HACSC/Choices Family Associates	(99,778)
HACSC/Choices Senior Associates	(2,059,376)
Helzer Associates, LP	(4,479,804)
Klamath Associates LP	(667,736)
North First Gish Holding LLC	(139,802)
Pinmore HDC, Inc.	(1,958,253)
Sage Family Apartment LP	(3,143)
San Pedro Gardens Associates, Ltd.	(1,851,423)
Willows Resyndication	(497)

**Discretely Presented Component Units**

Girasol Acquisition LP	\$ (504,131)
Jardines Paloma Blanca Acquisition LP	(354,899)
Las Golondrinas Acquisition LP	(267,794)
Willows HACSC Associates	(667,552)

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 is 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).

**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, 2025

**Note 9 - Related parties**

The Authority has the following receivables from related parties and other component units as of June 30, 2025:

Receivables due from Blended Component Units	Short-term receivables	Long-term Receivables					Subtotal	Elimination	Total
		Notes Receivables	Lease/ Mortgage Receivables	Seller Take-Back Note	Interest on Receivables	Development and Other Services			
AE Associates Ltd	\$ 13,325	\$ 7,099	\$ 41,690	\$ -	\$ -	\$ 25,526	\$ 74,315	\$ (57,633)	\$ 30,007
Avenida Espana HDC, Inc	-	-	-	-	-	12,330,000	12,330,000	(12,330,000)	-
Bascom HACSC Assoc, L.P.	739,850	6,753,398	-	-	137,643	3,750	6,894,791	(6,911,072)	723,569
Blossom River Assoc. L.P.	17,037	8,254,327	-	-	83,963	-	8,338,290	(8,355,171)	156
HACSC Family	198,648	-	-	-	-	11,794	11,794	(28,151)	182,291
HACSC Senior	15,880	-	-	-	-	139,136	139,136	(130,960)	24,056
Helzer Associates	17,448	7,604,740	-	-	100,883	-	7,705,623	(7,718,560)	4,511
Julian Street Partners L.P.	78,048	-	-	11,912,005	298,269	1,748	12,212,022	(12,288,194)	1,876
Klamath Associates L.P.	-	400,000	-	-	30,067	144,787	574,854	(570,405)	4,449
North First Gish Holding LLC	15,277	2,000,000	-	-	-	-	2,000,000	(1,999,323)	15,954
Poco Way HDC, Inc	407	32,437,513	-	-	29,417	-	32,466,930	(25,954,942)	6,512,395
Rincon Garden Associates L.P.	219,529	-	-	9,923,147	184,584	-	10,107,731	(10,327,260)	-
Rotary Plaza/HACSC HDC, Inc	987	2,592,199	30,000	-	80,927	453	2,703,579	(2,667,627)	36,939
Sage Family Apartments L.P.	-	5,000,000	-	-	-	-	5,000,000	(2,173,045)	2,826,955
San Pedro Garden Associates	41,867	1,009,377	4,999	-	15,160	-	1,029,536	(1,029,754)	41,649
SPG Housing, Inc	112,009	-	1,532,457	-	11,937	7,920	1,552,314	(1,435,717)	228,606
Trillium Senior Apartments L.P.	-	5,000,000	-	-	-	-	5,000,000	(1,432,471)	3,567,529
Villa San Pedro HDC, Inc.	-	1,051,888	-	-	162,028	-	1,213,916	(1,189,714)	24,202
Willows Resyndication	-	6,000,000	-	-	109,419	-	6,109,419	(1,079,869)	5,029,550
<b>Total</b>	<b>\$ 1,470,312</b>	<b>\$ 78,110,541</b>	<b>\$ 1,609,146</b>	<b>\$ 21,835,152</b>	<b>\$ 1,244,297</b>	<b>\$ 12,665,114</b>	<b>\$ 115,464,250</b>	<b>\$ (97,679,867)</b>	<b>\$ 19,254,695</b>

**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, 2025

(Continued)

Receivables due from Discretely Presented Component Units	Long-term Receivables					Subtotal	Total
	Short-term receivables	Notes Receivables	Seller Take-Back Note	Interest on Receivables	Development and Other Services		
Alvarado Park L.P.	\$ -	\$ 21,330,752	\$ -	\$ 1,353,047	\$ -	\$ 22,683,799	\$ 22,683,799
Bellarmino Place, L.P.	10,082	35,273,985	-	-	-	35,273,985	35,284,067
Bendorf Drive L.P.	1,650	1,804,808	9,277,939	4,260,805	117,331	15,460,883	15,462,533
Branham Lane LLC	652	2,591,456	-	81,504	11,311	2,684,271	2,684,923
Clarendon Street, L.P.	114,015	539,834	4,416,057	7,049	-	4,962,940	5,076,955
Fairgrounds Luxury Family Apartments L.P.	16,839	-	-	-	-	-	16,839
Fairgrounds Senior Housing L.P.	6,611	-	-	-	-	-	6,611
Girasol Acquisition L.P.	-	4,765,172	-	317,532	-	5,082,704	5,082,704
Halford Avenue LLC	178,691	-	1,528,592	-	4,150	1,532,742	1,711,433
Hawthorn Senior L.P.	-	27,815,557	-	-	-	27,815,557	27,815,557
Hermocilla LLC	10,934	-	-	-	-	-	10,934
Huff Avenue LLC	40,000	-	-	-	193	193	40,193
Jardines Paloma Blanca Acquisition L.P.	-	3,286,550	-	217,449	-	3,503,999	3,503,999
Las Golondrinas Acquisition L.P.	-	5,000,000	-	337,604	-	5,337,604	5,337,604
Laurel Grove Lane, L.P.	274,433	5,823,982	2,557,609	2,216,789	161,717	10,760,097	11,034,530
McCreery Avenue L.P.	174,608	600,000	10,346,647	1,629,159	-	12,575,806	12,750,414
Park Avenue Senior L.P.	250,918	14,328,987	6,000,000	4,622,077	-	24,951,064	25,201,982
Poinciana Drive LLC	119,200	-	399,962	-	3,023	402,985	522,185
Rincon de los Esteros LLC	18,647	53,363,008	-	-	-	53,363,008	53,381,655
South Drive LLC	20,689	-	-	-	-	-	20,689
Willows/HACSC Associates	292,557	-	-	-	129,741	129,741	422,298
<b>Total</b>	<b>1,530,526</b>	<b>176,524,091</b>	<b>34,526,806</b>	<b>15,043,015</b>	<b>427,466</b>	<b>226,521,378</b>	<b>228,051,904</b>
<b>Total receivables due from blended component units (from previous page)</b>							<b>19,254,695</b>
<b>\$</b>							<b>247,306,599</b>
<b>Due from component units and related parties, current portion</b>							<b>\$ 2,493,104</b>
<b>Due from component units and related parties, net of current portion</b>							<b>244,813,495</b>
<b>\$</b>							<b>247,306,599</b>

## SANTA CLARA COUNTY HOUSING AUTHORITY

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

### 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:

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, 2025, the balance on the note is \$21,330,752.

Bellarmino Place, L.P. - 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 November 28, 2022, the loan agreement was amended and restated the loan amount to \$32,270,654. The note bears no interest and has a maturity date of December 31, 2080. As of June 30, 2025, the balance on the note is \$32,270,654.

In addition, in April 2020, Bellarmino Place, L.P. obtained a loan from the Authority for \$3,003,331. The loan bears no interest and has a maturity date of December 31, 2080. As of June 30, 2025, the balance on the note is \$3,003,331.

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, 2025, the balance on the note is \$800,000.

Additionally, on October 1, 2015, Bendorf Drive L.P. 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, 2025, 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, 2025, 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, 2025 is \$539,834.

Girasol Acquisition, L.P. - In April 2023, the Authority loaned its affiliate, Girasol Acquisition, L.P., an original amount of \$6,000,000. The loan bears 3% simple interest, with annual payments from excess/distributable cash, due in full by April 1, 2078. The balance as of June 30, 2025 is \$4,765,172.

Hawthorn Senior Apartments LP - On August 5, 2021, Hawthorn obtained a development loan from the Authority for \$17,790,000. The loan amount was amended to \$20,552,881 during 2023. On October 1, 2024, the loan agreement was amended and restated to \$27,815,557. 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, 2025 is \$27,815,557.

## SANTA CLARA COUNTY HOUSING AUTHORITY

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

Jardines Paloma Blanca Acquisition, L.P. - In April 2023, the Authority loaned its affiliate, Jardines Paloma Blanca Acquisition, L.P., an original amount of \$4,600,000. The loan bears 3% simple interest, with annual payments from excess/distributable cash, due in full by payable by April 1, 2078. The balance as of June 30, 2025 is \$3,286,550.

Las Golondrinas Acquisition, L.P. - In April 2023, the Authority loaned its affiliate, Las Golondrinas Acquisition, L.P., an original amount of \$6,250,000. The loan bears 3% simple interest, with annual payments from excess/distributable cash, due in full by April 1, 2078. The balance as of June 30, 2025 is \$5,000,000.

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 June 30, 2073. On September 1, 2018, the loan agreement was amended to increase the loan amount to \$2,679,213. Subsequently, 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, 2025 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 June 30, 2073. The balance as of June 30, 2025 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 and is due and payable in December 2079. The balance as of June 30, 2025 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, 2025 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, 2025 is \$12,557,596.

Rincon de Los Esteros, LLC. - In December 2023, the Authority loaned its affiliate Rincon de Los Esteros, LLC, \$55,000,000. The loan bears 3% simple interest, with monthly payments commencing on February 1, 2024, and due in full on December 31, 2053. The balance as of June 30, 2025 is \$53,363,008.

Furthermore, the Authority made loans to its blended component units. The amounts, which are included within the blended component units' December 31, 2024 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 receivable 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 loan is non-interest bearing and is due October 2024. The note was not paid off as of June 30, 2025. The balance as of June 30, 2025 was \$7,099.

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 have a maturity date of December 31, 2076. As of June 30, 2025, the balance on the notes is \$5,753,398 and \$1,000,000, respectively.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

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, 2025, the balance on the loan is \$8,254,327.

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, 2025, the balance on the loan is \$6,954,740.

In addition, in December 2019, Helzer Associates, L.P. obtained a loan from the Authority for \$650,000. The note bears simple interest at the rate of the then published long-term applicable federal rate, is due and payable on June 30, 2080. The balance as of June 30, 2025 is \$650,000.

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, 2025, the balance on the loan is \$350,000.

In addition, in April 2024, Klamath Associates, L.P. obtained a loan from the Authority for \$50,000. The note bears simple interest at the rate of the then published long-term applicable federal rate, is due and payable on April 17, 2084. The balance as of June 30, 2025 is \$50,000.

North First Gish, LLC. - In November 2023, the Authority loaned its affiliate, North First Gish, LLC., an original amount of \$500,000. On February 1, 2024, the loan agreement was amended to increase the loan amount to \$1,500,000. Subsequently, on June 6, 2024, the amount was increased to \$2,000,000. This loan bears no interest, due in full on the earlier of November 6, 2028 or the construction closing. The balance as of June 30, 2025 is \$2,000,000.

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, 2025, 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, 2025, the balance on the second loan is \$19,925,000.

On December 19, 2019, the Authority issued a third loan of \$250,000 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, 2025, the balance on the third loan is \$250,000.

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, 2025, the balance on the fourth loan is \$562,077.

## SANTA CLARA COUNTY HOUSING AUTHORITY

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

On April 1, 2023, the Authority approved a fifth loan to Poco Way HDC for Buena Vista Mobile Home Park's capital repairs. 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, 2023. As of June 30, 2025, the balance on the loan is \$200,436.

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, 2025, the balance on the loan is \$2,592,199.

Sage Family Apartments LP – On July 24, 2023, Sage obtained a development loan from the Authority in the maximum amount of \$5,000,000. This loan bears no interest, due in full on July 24, 2028 or the construction closing. The balance as of June 30, 2025 is \$5,000,000.

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. The loan was paid in full in October 2024.

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 December 2021, the maximum loan amount was increased to \$5,000,000. Subsequently, in November 2023, the loan agreement was amended to reduce the loan amount to \$1,050,000. The note bears simple interest at the rate of the then published long-term applicable federal rate, with annual payments from excess/distributable cash, due in full in December 2079. As of June 30, 2025, the balance on the loan is \$1,009,377.

Trillium Senior Apartments LP – On September 28, 2023, Trillium obtained a development loan from the Authority in the maximum amount of \$5,000,000. This loan bears no interest, due in full on the earlier of September 28, 2028 or the construction closing. The balance as of June 30, 2025 is \$5,000,000.

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, 2024, the balance on the note is \$1,051,888.

Willows Resyndication LP – On August 14, 2024, Willows Resyndication LP obtained a development loan from the Authority in the amount of \$9,000,000. In June 2025, the loan agreement was amended to reduce the loan amount to \$6,000,000. The note bears 3% simple annual interest, due in full on August 14, 2079. The balance as of June 30, 2025 is \$6,000,000.

### **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 receivable 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, 2025, the lease receivable balance is \$41,690.

## SANTA CLARA COUNTY HOUSING AUTHORITY

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

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, 2025, the lease receivable is \$30,000.

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, 2025, 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, 2025, the lease receivable is \$1,532,457.

### **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, 2025, 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, 2025, the outstanding amount is \$4,416,057.

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, 2025, the outstanding amount is \$1,528,592.

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, 2025, the outstanding amount is \$11,912,500.

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

## SANTA CLARA COUNTY HOUSING AUTHORITY

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

earlier of the 55<sup>th</sup> anniversary of the completion date or June 1, 2073, and payable from residual receipts. As of June 30, 2025, 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, 2025, 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, 2025, 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, 2025, 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, 2025, the outstanding amount is \$399,962.

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, 2025, the outstanding amount is \$9,923,147.

### **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.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

**Equity interest in affiliated limited partnerships**

Equity interest in affiliated limited partnerships and limited liability corporations as of December 31, 2024 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.	\$ 6,298,077
	Rincon Gardens Associates, L.P.	
Bracher HDC, Inc.	HACSC/Choices Senior Associates	
	HACSC/Choices Family Associates	(2,159,154)
DeRose HDC, Inc.	Bascom HACSC Associates	
	Blossom River Associates	
	Hermocilla LLC	
	Hawthorn Senior L.P.	(3,405,377)
	Sage Family Apartments L.P.	
	Trillium Senior Apartments L.P.	
	Willows Resyndication L.P.	
Pinmore HDC, Inc.	Fairground Luxury Family Apartments L.P.	
	Fairgrounds Senior Housing, L.P.	
	Helzer Associates	
	Laurel Grove Lane L.P.	(4,346,477)
	Park Avenue Seniors L.P.	
	Willows HACSC Associates	
Rotary Plaza/HACSC HDC, Inc	Huff Avenue LLC	5,810,759
SPG Housing Inc.	Branham Lane LLC	
	Halford Avenue LLC	
	Klamath Associates L.P.	
	Poinciana Drive LLC	1,808,668
	San Pedro Gardens Associates, Ltd	
	South Drive LLC	
Villa Garcia, Inc.	Alvarado Park L.P.	
	Bellarmino Place L.P.	
	Clarendon Street L.P.	
	Girasol Acquisition L.P.	(949,277)
	Jardines Paloma Blanca Acquisition L.P.	
	North First Gish Holding LLC	
	Rincon de Los Esteros LLC	
Villa San Pedro HDC, Inc.	Bendorf Drive, LP	1,149,054
Total		\$ 4,206,273

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

**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, 2025, the Authority's significant guarantees and commitments are summarized as follows:

<u>Properties</u>	<u>Operating Deficit Guarantees</u>	<u>General Partner Demand Note</u>	<u>Tax Indemnification Guarantees</u>	<u>Construction Loan Repayment Guarantee</u>	<u>General Partner &amp; Developer Guaranty</u>	<u>HAP Contract, Property Tax, Meals Service Programs (if applicable)</u>
AE Associates Ltd.	\$ -	\$ 150,000.00	\$ -	\$ -	\$ -	-
Alvarado Park L.P.	-	-	-	33,247,500	-	PBV Contract
Bellarmino Place, L.P.	1,425,000	-	24,992,501	45,199,688	-	PBV Contract
Blossom River Assoc. L.P.	-	250,000	-	-	-	-
Clarendon Street Associates L.P.	575,000	-	-	-	-	HAP Contract
DeRose Gardens Apartments (SPG Housing, Inc.)	-	175,000	-	-	-	-
Hawthorn Senior Apartments L.P.	-	-	-	28,846,051	-	-
Julian Street Partners L.P.	-	-	-	-	6,981,596	PBV Contract
Laurel Grove Lane, L.P.	1,000,000	-	6,853,299	-	-	PBV Contract
McCreery Avenue L.P.	-	-	1,670,398	-	-	PBV Contract
Park Avenue Senior L.P.	-	-	9,425,976	-	-	PBV Contract
Rincon Garden Associates L.P.	-	-	-	-	1,400,000	PBV Contract
Rotary Plaza/HACSC HDC, Inc	-	194,000	-	-	-	-
San Pedro Garden Associates	-	80,000	-	-	-	-
<b>Total</b>	<b>\$ 3,000,000</b>	<b>\$ 849,000</b>	<b>\$ 42,942,173</b>	<b>\$ 107,293,239</b>	<b>\$ 8,381,596</b>	

**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, these liabilities are conduit debt of the Authority and are not reported in the Authority's basic financial statements.

Conduit debt with the Authority's related parties are as follows:

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, 2025, the principal amount payable for Series A was \$9,105,000.

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, 2025, principal amount payable for the remaining Multifamily Housing Revenue Construction/Permanent Tranche A and Tranche B were \$3,171,993 and \$0, respectively.

## SANTA CLARA COUNTY HOUSING AUTHORITY

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

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, 2025, the principal amount payable was \$6,218,334.

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, 2025, the principal amount payable was \$4,725,000.

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, 2025, the principal amount payable for the Series A-1 was \$4,196,326.

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. Series A-2 was paid in full in 2024. At June 30, 2025, the principal amount payable for Series A-1 was \$9,478,496.

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, 2025, the principal amount payable was \$3,212,000.

### **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 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 Tokio Marine.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

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 pay premiums that cover both the self-insurance portion and the purchased insurance coverage used for risk management. Workers' compensation for non-California based employees is provided by Liberty Mutual and the State of Washington.

<u>Liabilities</u>	<u>Deductible</u>	<u>Coverage</u>	<u>Excess</u>
Commercial Property - Julian building	\$ 25,000	\$ 34,768,684	N/A
Commercial Liability - Others	25,000	10,000,000	N/A
Commercial Automobile Liability	-	300,000/accident	\$ 2,700,000
Automobile Physical Damage	1,000	Actual Cash Value	N/A
Directors and Officers Liability	75,000	2,000,000/claim 4,000,000 aggregate	2,000,000 aggregate
Employment Practices Liability	250,000	2,000,000	N/A
Worker's Compensation			
CHWCA/LAWCX	-	750,000	4,250,000
Liberty Mutual	-	1,000,000	N/A
Fidelity Insurance	6,500	1,000,000	N/A
Security and Privacy Liability	100,000	3,000,000	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/employers/actuarial-resources>.

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.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

The Plan’s provisions and benefits in effect for the fiscal year ended June 30, 2025 are summarized as follows:

	Prior to January 1, 2013 (Classic)	On or After January 1, 2013 (Non-Classic)
Hire Date	<hr/>	<hr/>
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%	7.25%
Required employer contribution rates	9.34%	9.34%

Employees Covered – As of June 30, 2024, the most recent information available, the following employees were covered by the benefit terms for the Plan:

Inactive employees or beneficiaries currently receiving benefits	120
Inactive employees entitled to but not yet receiving benefits	191
Active employees	<hr/>
Total	<hr/> <hr/> <u>444</u>

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, 2024, 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 9.34 percent and the employee contribution rate is 7.00 percent of annual pay. The employer’s contribution rate for non-classic members (employees hired after January 1, 2013) is 9.34 percent of annual payroll and the employee’s contribution rate is 7.25 percent. For the year ended June 30, 2025, the Authority contributed the actuarially determined contribution in the amount of \$1,753,167. The contributions made during the year ended June 30, 2025 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, 2025, the Authority reported the investment in the amount of \$2,610,394 as restricted long-term investments.

## SANTA CLARA COUNTY HOUSING AUTHORITY

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

### 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, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. At June 30, 2025, the Authority reported a net pension asset of \$11.1 million for the Plan, an increase of \$1.6 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, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry Age and Services
Mortality <sup>1</sup>	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

---

<sup>1</sup> The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on the table, refer to the 2021 CalPERS Experience Study available on the CalPERS website.

All other actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the 2021 CalPERS Experience Study, including updates to salary increase, mortality and retirement rates. Further details of the 2021 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 6.90 percent. The projection of cash flows used to determine the discount rate assumed that the contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expense of 10 basis points.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

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

Asset Class:	Assumed Asset Allocation	Real Return <sup>1,2</sup>
Global Equity - Cap-Weighted	30.0%	4.54%
Global Equity - Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-Backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

<sup>1</sup> An expected inflation of 2.50% used for this period.

<sup>2</sup> Figures are based on the 2021 Asset Liability Management study.

**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, 2024	\$ 92,631,927	\$ 102,048,788	\$ (9,416,861)
Changes for the year:			
Service cost	2,787,217	-	2,787,217
Interest on total pension liability	6,422,345	-	6,422,345
Changes of benefit terms	3,107,618	-	3,107,618
Differences between expected and actual experiences	(1,788,469)	-	(1,788,469)
Contributions from employer	-	1,448,403	(1,448,403)
Contributions from employees	-	1,057,516	(1,057,516)
Net investment income	-	9,745,231	(9,745,231)
Benefit payments, including refunds of employee contributions	(4,534,463)	(4,534,463)	-
Administrative expense	-	(83,033)	83,033
Net change	5,994,248	7,633,654	(1,639,406)
Balances reported at June 30, 2025	\$ 98,626,175	\$ 109,682,442	\$ (11,056,267)

Pension Plan Fiduciary Net Position

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

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

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 6.90 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 (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Discount Rate <u>-1% (5.90%)</u>	Current Discount Rate <u>(6.90%)</u>	Discount Rate <u>+1% (7.90%)</u>
Net Pension Liability (Asset)	\$ 2,926,652	\$ (11,056,267)	\$ (22,565,337)

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

For the year ended June 30, 2025, the Authority recognized pension expense of \$5.3 million. At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,753,167	\$ -
Changes of assumptions	795,834	-
Difference between expected and actual experiences	573,282	(1,401,755)
Net difference between projected and actual earnings on plan investments	<u>1,647,347</u>	<u>-</u>
Total	<u>\$ 4,769,630</u>	<u>\$ (1,401,755)</u>

\$1.8 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, 2026.

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,	
2026	\$ 461,779
2027	2,453,808
2028	(745,528)
2029	<u>(555,351)</u>
	<u>\$ 1,614,708</u>

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

**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 provides two tiers of post-retirement medical healthcare benefits:

- Tier 1 benefits applies to a) non-represented employees hired prior to August 10, 2020 who did not otherwise elect to receive Tier 2 benefits between September 1 and October 15, 2020; b) represented employees hired prior to July 1, 2021 who did not otherwise elect to receive Tier 2 benefits prior to August 15, 2021; and c) represented employees hired on or after July 1, 2021 who make an irrevocable election for Tier 1 benefits within the first 45 days following their employment.
- Tier 2 benefits applies to a) non-represented employees hired on or after August 10, 2020, b) non-represented employees hired prior to August 10, 2020 who did not otherwise elect Tier 1 benefits; and c) represented employees hired on or after July 1, 2021 who did not elect Tier 1 benefits within the first 45 days following their employment.

The Authority has made contributions toward the medical premiums of retirees who meet the conditions set forth under Tier 1 or Tier 2 as described in the following tables:

Tier 1:

Minimum Retirement Age *	Years of Service with the Authority		
	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%

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

Tier 2:

Years of CalPERS Service (with at least 5 years of Authority)	Benefit % up to maximum contribution	Years of CalPERS Service (with at least 5 years of Authority)	Benefit % up to maximum contribution
Less than 10	0%	15	75%
10	50%	16	80%
11	55%	17	85%
12	60%	18	90%
13	65%	19	95%
14	70%	20 or more	100%

\* Employee must reach this age while employed.

In addition to its monthly contributions 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, 2023, 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	52
Inactive employees entitled to but not yet receiving benefits	16
Active employees	<u>154</u>
Total	<u><u>222</u></u>

Contributions – The Authority makes contributions on an actuarial basis, funding the full actuarially determined contributions. The Authority’s contribution to the plan occurs 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).

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

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, 2025 are shown below.

	Employer Contributions for the	
	Measurement Period	
	July 1, 2023 thru June 30, 2024	July 1, 2024 thru June 30, 2025
Employer contributions in the form of direct benefit	\$ 651,794	\$ 763,877
Implicit contributions	156,036	213,725
Total	<u>\$ 807,830</u>	<u>\$ 977,602</u>

The amount of implicit contributions paid are reflected as a reduction in (active) employee premiums. The contributions made during the year ended June 30, 2025 are reported as deferred outflows of resources on the statement of net position as discussed below.

**B. Net OPEB Liability**

The Authority’s net OPEB liability is measured as the total OPEB liability, less the OPEB plan’s fiduciary net position. The net OPEB liability is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures.

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	June 30, 2023 to June 30, 2024
Actuarial Cost Method	Entry Age Normal Level Percent of Pay
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.50%
Salary Increase	3.00%
Medical trend	Medical premium: Healthcare cost trend rate of 6.0% for initial year, fluctuating down to 3.9% in 2075 PMEHCA: 4.0%
	Dental and vision premium: 3.5%
Mortality	Derived using CalPERS' Membership Data for all Funds (1)

<sup>1</sup> Demographic actuarial assumptions used are based on the 2021 CalPERS Experience Study, except for the MacLeod Watts Scale 2022 applied generationally from 2017 as the basis to project future mortality improvements. The representative mortality rates were those published by CalPERS.

Change of Assumptions - During measurement period 2024, the discount rate was increased from 5.50% to 6.00%, and healthcare cost trend assumptions were updated.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

Discount Rate - The discount rate used to measure the total OPEB liability was 6.0 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 6.0 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 (6-20 years) using a building-block approach. The long-term expected real rate of return by asset class and the target allocation are as follows:

<u>Asset Class</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1-5<sup>1</sup></u>	<u>Real Return Years 6-20<sup>1</sup></u>
Global Equity	34.0%	3.90%	4.70%
Fixed Income	41.0	2.70	2.60
Global Real Estate REITS	17.0	3.70	4.00
TIPS	5.0	1.70	1.40
Commodities	3.0	2.90	2.00

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

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

The following table shows the changes in net OPEB liability for the year ended June 30, 2025:

	<u>Total OPEB Liability</u>	<u>OPEB Plan Net Position</u>	<u>Net OPEB Liability (Asset)</u>
Balances reported at July 1, 2024	\$ 17,205,280	\$ 16,152,369	\$ 1,052,911
Changes for the year:			
Service cost	575,837	-	575,837
Interest on total OPEB liability	955,746	-	955,746
Changes in benefit terms	2,321,851	-	2,321,851
Differences between expected and actual experiences	921,552	-	921,552
Changes in assumptions	(1,300,467)	-	(1,300,467)
Contributions from employer	-	807,830	(807,830)
Net investment income	-	1,321,707	(1,321,707)
Benefit payments	(807,830)	(807,830)	-
Administrative expense	-	(5,201)	5,201
Net change	2,666,689	1,316,506	1,350,183
Balances reported at June 30, 2025	\$ 19,871,969	\$ 17,468,875	\$ 2,403,094

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

The following presents the net OPEB liability of the OPEB plan as of the measurement date, calculated using the discount rate of 6.0 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.0 percent) or 1 percentage-point higher (7.0 percent) than the current rate:

	Discount Rate -1% (5.0%)	Current Discount Rate (6.0%)	Discount Rate +1% (7.0%)
Net OPEB Liability (Asset)	\$ 5,139,430	\$ 2,403,094	\$ 153,263

The following presents the net OPEB liability of the OPEB plan as of the measurement date, as well as what the net OPEB liability 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)	\$ (128,121)	\$ 2,403,094	\$ 5,548,401

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, 2025 the Authority recognized OPEB expense of \$2.8 million. At June 30, 2025, 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	\$ 977,602	\$ -
Changes of assumptions	124,789	1,547,314
Difference between expected and actual experiences	1,081,011	867,979
Net difference between projected and actual earnings on plan investments	702,653	-
Total	<u>\$ 2,886,055</u>	<u>\$ 2,415,293</u>

\$1.0 million of deferred outflows of resources shown above relates to contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

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 <u>June 30,</u>	
2026	\$ (165,705)
2027	256,731
2028	(263,130)
2029	(243,479)
2030	(65,911)
Thereafter	<u>(25,346)</u>
	<u>\$ (506,840)</u>

**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, 2025, approximately 95.6% of operating revenues and 88.3% 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.

## SANTA CLARA COUNTY HOUSING AUTHORITY

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

### 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.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2025

GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions* defines 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 an 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 (\$22,560,551 as of June 30, 2025) 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, 2025

During the year ended June 30, 2025, the unrestricted net position activities of the Moving To Work Programs are as follows:

	Conventional Housing Program and Public Housing Capital	Section 8 Rental Voucher Program	Moving To Work Program
Unrestricted net position at June 30, 2024, as reported	\$ 624,619	\$ 10,907,085	\$ 142,996,116
Year ended June 30, 2025 operating activities:			
HAP earned	-	-	423,637,130
Administrative fees earned	-	-	26,955,810
Public Housing rental income	24,627	-	-
Operating subsidy	-	-	17,407
Capital funds	-	-	33,497
Other income	501	60,569	430
50% of fraud recovery	-	24,464	24,567
Gain (loss) on investments	-	188,696	-
HAP expenses	-	(411,180,281)	-
Interim Housing Rental Subsidy payment	-	-	(1,972,400)
Administrative and operational expenses	(113,455)	(30,200,489)	(8,427)
Net change in long term obligations	-	(758,217)	-
Net change in capital assets	31,590	859,007	28,436,776
Year ended June 30, 2025 transfers in (out):			
Transfer reimbursement from HARA for disallowed compensation per HUD regulations	-	911,519	-
Transfer reimbursement from HARA for the Agency meeting expenses	-	5,366	-
Transfer related to year-end pension (GASB 68) adjustments	-	146,280	-
Transfer related to Moderate Rehabilitation for operating deficits	-	(13,809)	-
Transfer related to Acquisition & Development activities (MTW activity 2012-3)	-	-	(53,318,786)
Transfer related to Preservation activities (MTW activity 2012-4)	-	-	(19,571,497)
Transfer out for FY 2025 Asset Management activities (MTW activity 2012-4)	-	(114,500)	(2,762,127)
Transfer out for FY 2025 Development activities (MTW activity 2012-3)	-	-	(5,227,137)
Transfer out for FY 2025 Resident Services activities (MTW activity 2012-4)	-	-	(266,710)
Transfer out for FY 2025 Supportive Housing activities (MTW activity 2012-4)	-	-	(396,244)
Transfer out to Real Estate - Santa Clara Street Project - operating land	-	-	(28,428,094)
Transfer out to Real Estate - Bellarmino	(33,497)	-	-
Transfer out to Payroll for Pension Funds	-	-	(6,641,250)
Other interfund transfers between MTW and MTW related programs	119,117	436,181,601	(436,300,718)
Year ended June 30, 2025 other changes:			
Changes in net pension assets balances	-	(1,361,542)	-
Increase in the restricted California Employers' Prefunding Pension Trust Fund (CEPPT) investment value	-	(183,633)	-
Subtotal year ended June 30, 2025 activity	28,883	(5,434,969)	(75,787,773)
Unrestricted net position at June 30, 2025	<u>\$ 653,502</u>	<u>\$ 5,472,116</u>	<u>\$ 67,208,343</u>

**SANTA CLARA COUNTY HOUSING AUTHORITY**  
(A Component Unit of the County of Santa Clara)  
Notes to Financial Statements  
For the Year Ended June 30, 2025

**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)	Avenida España HDC, Inc. (1)(2)	Bascom HACSC Associates (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)	Hawthorn Senior Apartment LP (1)(2)	Helzer Associates LP (1)(2)	Julian Street Partners, L.P. (1)(2)	Klamath Associates LP (1)(2)
Current assets	\$ 452,918	\$ 2,970,896	\$ 2,564,606	\$ 4,076,317	\$ 162,319	\$ 2,483,063	\$ 3,134,436	\$ 2,348,406	\$ -	\$ 3,421,987	\$ 8,320,459	\$ 69,050
Due from component units and related parties	-	342,037	-	-	128,763	40,000	-	-	-	-	-	-
Other noncurrent assets	-	6,298,077	-	-	(2,159,154)	(3,405,377)	-	-	-	-	-	-
Capital assets	2,183,851	-	11,162,890	7,877,707	-	-	11,521,487	8,359,888	-	13,351,718	50,067,353	1,682,572
Total assets	2,636,769	9,611,010	13,727,496	11,954,024	(1,868,072)	(882,314)	14,655,923	10,708,294	-	16,773,705	58,387,812	1,751,622
Current liabilities	1,176,853	11,800	455,865	828,096	10,600	15,600	745,416	449,786	-	850,598	2,188,072	90,669
Due to component units and related parties	77,633	12,330,000	7,541,880	8,697,700	-	-	40,031	130,960	-	8,372,344	15,094,611	570,614
Noncurrent liabilities	6,276,156	-	4,275,000	8,787,416	-	-	13,970,254	12,186,924	-	12,030,567	3,294,466	1,758,075
Total liabilities	7,530,642	12,341,800	12,272,745	18,313,212	10,600	15,600	14,755,701	12,767,670	-	21,253,509	20,577,149	2,419,358
Net position:												
Net investment in capital assets	(2,119,517)	-	6,742,890	(1,254,709)	-	-	(2,255,884)	(1,613,840)	-	936,151	45,227,887	872,996
Restricted	240,657	-	1,571,100	3,187,788	-	-	2,557,595	2,120,153	-	1,661,358	4,010,039	11,735
Unrestricted	(3,015,013)	(2,730,790)	(6,859,239)	(8,292,267)	(1,878,672)	(897,914)	(401,489)	(2,565,689)	-	(7,077,313)	(11,427,263)	(1,552,467)
Total net position	\$ (4,893,873)	\$ (2,730,790)	\$ 1,454,751	\$ (6,359,188)	\$ (1,878,672)	\$ (897,914)	\$ (99,778)	\$ (2,059,376)	\$ -	\$ (4,479,804)	\$ 37,810,663	\$ (667,736)

  

	North First Gish Holding LLC (1)(2)	Pinmore HDC, Inc. (1)(2)	Poco Way HDC, Inc. (1)(2)	Rincon Gardens Associates, L.P. (1)(2)	Rotary Plaza/ HACSC HDC, Inc. (1)(2)	Sage Family Apartments LP (1)(2)	San Pedro Gardens Associates, Ltd. (1)(2)	S.P.G. Housing, Inc. (1)(2)	Trillium Senior Apartments LP (1)(2)	Villa Garcia Inc. (1)(2)	Villa San Pedro HDC, Inc. (1)(2)	Willows Resyncification LP (1)(2)
Current assets	\$ 2,245,491	\$ 1,837,888	\$ 2,345,895	\$ 6,186,353	\$ 2,305,975	\$ 1,016,556	\$ 1,012,106	\$ 868,481	\$ 936,026	\$ 5,275,016	\$ 247,312	\$ 361,796
Due from component units and related parties	-	563,336	12,092,989	-	20,000	-	-	195,347	-	4,551,487	13,051,542	-
Other noncurrent assets	-	(4,346,477)	262,994	-	5,810,759	-	-	1,808,668	-	(949,277)	1,149,054	-
Capital assets	-	-	50,029,932	26,352,053	2,399,595	1,153,750	791,741	3,662,757	496,850	-	-	735,648
Total assets	2,245,491	(1,945,253)	64,731,810	32,538,406	10,536,329	2,170,306	1,803,847	6,535,253	1,432,876	8,877,226	14,447,908	1,097,444
Current liabilities	385,970	13,000	732,509	680,205	201,146	404	40,481	274,464	405	15,199	10,000	18,071
Due to component units and related parties	1,999,323	-	26,045,207	12,520,703	2,667,627	2,173,045	1,042,097	1,640,036	1,432,471	-	1,189,714	1,079,870
Noncurrent liabilities	-	-	29,548,219	9,148,013	213,843	-	2,572,692	1,459,718	-	-	-	-
Total liabilities	2,385,293	13,000	56,325,935	22,348,921	3,082,616	2,173,449	3,655,270	3,374,218	1,432,876	15,199	1,199,714	1,097,941
Net position:												
Net investment in capital assets	-	-	21,029,932	16,799,903	2,308,842	1,153,750	(697,759)	2,133,895	496,850	-	-	735,648
Restricted	-	-	177	2,442,078	170,916	-	214,651	243,743	-	-	-	-
Unrestricted	(139,802)	(1,958,253)	(12,624,234)	(9,052,496)	4,973,955	(1,156,893)	(1,368,315)	783,397	(496,850)	8,862,027	13,248,194	(736,145)
Total net position	\$ (139,802)	\$ (1,958,253)	\$ 8,405,875	\$ 10,189,485	\$ 7,453,713	\$ (3,143)	\$ (1,851,423)	\$ 3,161,035	\$ -	\$ 8,862,027	\$ 13,248,194	\$ (497)

(1) Component unit was audited by other auditors.  
(2) As of December 31, 2024.

**SANTA CLARA COUNTY HOUSING AUTHORITY**  
(A Component Unit of the County of Santa Clara)  
Notes to Financial Statements  
For the Year Ended June 30, 2025

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

	AE Associates, Ltd. (1)(2)	Avenida Espana HDC, Inc. (1)(2)	Bascom HACSC Associates (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)	Hawthorn Senior Apartment LP (1)(2)	Helzer Associates LP (1)(2)	Julian Street Partners, L.P. (1)(2)	Klamath Associates LP (1)(2)
Operating revenues	\$ 878,699	\$ 432,445	\$ 2,069,544	\$ 3,065,131	\$ (298,002)	\$ 351,028	\$ 2,175,803	\$ 1,365,015	\$ -	\$ 3,861,936	\$ 9,878,340	\$ 366,206
Operating expenses	1,146,631	380,625	1,354,696	2,429,654	12,888	39,100	1,540,408	1,339,696	-	2,455,856	5,823,927	415,364
Operating income (loss)	(267,932)	51,820	714,848	635,477	(310,890)	311,928	635,395	25,319	-	1,406,080	4,054,413	(49,158)
Nonoperating revenues (expenses), net	(99,191)	3,576	(402,326)	(659,154)	-	-	(471,295)	(311,499)	-	(886,690)	(1,032,923)	(61,239)
Change in net position	(367,123)	55,396	312,522	(23,677)	(310,890)	311,928	(48,649)	(286,180)	-	519,390	1,772,827	(110,397)
Net position, beginning of year	(4,526,750)	(2,786,186)	1,142,229	(6,335,511)	(1,567,782)	(1,209,842)	(51,129)	(1,773,196)	-	(4,999,194)	36,037,836	(557,339)
Net position, end of year	\$ (4,893,873)	\$ (2,730,790)	\$ 1,454,751	\$ (6,359,188)	\$ (1,878,672)	\$ (897,914)	\$ (99,778)	\$ (2,059,376)	\$ -	\$ (4,479,804)	\$ 37,810,663	\$ (667,736)

  

	North First Gish Holding LLC (1)(2)	Pinmore HDC, Inc. (1)(2)	Poco Way HDC, Inc. (1)(2)	Rincon Gardens Associates, L.P. (1)(2)	Rotary Plaza/HACSC HDC, Inc. (1)(2)	Sage Family Apartments LP (1)(2)	San Pedro Gardens Associates, Ltd. (1)(2)	S.P.G. Housing, Inc. (1)(2)	Trillium Senior Apartments LP (1)(2)	Villa Garcia Inc. (1)(2)	Villa San Pedro HDC, Inc. (1)(2)	Willows Resynfication LP (1)(2)
Operating revenues	\$ 2,205,512	\$ 832,209	\$ 791,795	\$ 6,609,661	\$ 2,128,416	\$ -	\$ 349,253	\$ 1,164,171	\$ -	\$ 22,708	\$ 16,126	\$ -
Operating expenses	2,321,649	16,775	3,973,136	3,540,977	1,411,111	2,574	384,983	1,199,613	-	667,312	10,900	497
Operating income (loss)	(116,137)	815,434	(3,181,341)	3,068,684	717,305	(2,574)	(35,730)	(35,442)	-	(644,604)	5,226	(497)
Nonoperating revenues (expenses), net	-	-	(159,529)	(1,203,677)	(62,671)	-	(66,669)	(122,354)	-	112,722	370,414	-
Change in net position	(116,137)	815,434	(3,340,870)	1,296,437	654,634	(2,574)	(102,399)	(157,796)	-	(531,882)	375,640	(497)
Net position, beginning of year	(23,665)	(2,773,687)	11,746,745	8,893,048	6,799,079	(569)	(1,749,024)	3,318,831	-	9,393,909	12,872,554	-
Net position, end of year	\$ (139,802)	\$ (1,958,253)	\$ 8,405,875	\$ 10,189,485	\$ 7,453,713	\$ (3,143)	\$ (1,851,423)	\$ 3,161,035	\$ -	\$ 8,862,027	\$ 13,248,194	\$ (497)

(1) Component unit was audited by other auditors.  
(2) For the year ended December 31, 2024.

**SANTA CLARA COUNTY HOUSING AUTHORITY**  
(A Component Unit of the County of Santa Clara)  
Notes to Financial Statements  
For the Year Ended June 30, 2025

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

	AE Associates, Ltd. (1)(2)	Avenida España HDC, Inc. (1)(2)	Bascom HACSC Associates (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)	Hawthorn Senior Apartment LP (1)(2)	Helzer Associates LP (1)(2)	Julian Street Partners, L.P. (1)(2)	Klamath Associates LP (1)(2)
Cash flows from:												
Operating activities	\$ (52,417)	\$ 268,741	\$ 737,791	\$ 822,108	\$ 3,812	\$ (6,000)	\$ 620,162	\$ 252,680	\$ -	\$ 1,283,063	\$ 5,117,525	\$ 2,662
Investing activities	(14,613)	3,179	(5,972)	(127,391)	21	425,997	(91,102)	(6,440)	-	(117,189)	(312,955)	(36,378)
Financing activities	(25,000)	-	(766,648)	(648,172)	-	-	(540,233)	(145,000)	(15,485,654)	(722,940)	3,266,897	(183,778)
Net change in cash and cash equivalents	(92,030)	271,920	(34,829)	46,545	3,833	419,997	(11,173)	101,240	(15,485,654)	442,934	8,071,467	(217,494)
Cash and cash equivalents, beginning of year	428,102	2,586,417	2,566,473	3,911,728	158,486	2,063,066	3,101,059	2,205,282	15,485,654	2,866,024	-	277,017
Cash and cash equivalents, end of year	\$ 336,072	\$ 2,858,337	\$ 2,531,644	\$ 3,958,273	\$ 162,319	\$ 2,483,063	\$ 3,089,886	\$ 2,306,522	\$ -	\$ 3,308,958	\$ 8,071,467	\$ 59,523

  

	North First Gish Holding LLC (1)(2)	Pinmore HDC, Inc. (1)(2)	Poco Way HDC, Inc. (1)(2)	Rincon Gardens Associates, L.P. (1)(2)	Rotary Plaza/ HACSC HDC, Inc. (1)(2)	Sage Family Apartments LP (1)(2)	San Pedro Gardens Associates, Ltd. (1)(2)	S.P.G. Housing, Inc. (1)(2)	Trillium Senior Apartments LP (1)(2)	Villa Garcia Inc. (1)(2)	Villa San Pedro HDC, Inc. (1)(2)	Willows Resynfication LP (1)(2)
Cash flows from:												
Operating activities	\$ (437,166)	\$ 60,844	\$ 31,459	\$ 3,027,351	\$ 377,639	\$ (2,574)	\$ 10,264	\$ 276,511	\$ -	\$ 100,887	\$ 17,173	\$ (497)
Investing activities	(21,480)	41	(4,003,082)	(76,204)	(36,472)	(69,242)	(15,270)	-	(62,758)	562,617	-	(272,707)
Financing activities	1,806,617	-	4,319,725	(2,347,082)	(247,075)	(410,909)	(18,284)	(66,497)	(1,216)	-	-	635,000
Net change in cash and cash equivalents	1,347,971	60,885	348,102	604,065	94,092	(482,725)	(23,290)	210,014	(63,974)	663,504	17,173	361,796
Cash and cash equivalents, beginning of year	8,140	1,777,003	1,970,745	5,466,842	2,149,648	1,499,281	1,022,824	609,202	1,000,000	4,611,512	230,139	-
Cash and cash equivalents, end of year	\$ 1,356,111	\$ 1,837,888	\$ 2,318,847	\$ 6,070,907	\$ 2,243,740	\$ 1,016,556	\$ 999,534	\$ 819,216	\$ 936,026	\$ 5,275,016	\$ 247,312	\$ 361,796

(1) Component unit was audited by other auditors.  
(2) For the year ended December 31, 2024.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

**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. The note has not been paid off as of December 31, 2024.

	December 31, 2024			
	<u>Interest Payable</u>	<u>Principal</u>	<u>Total</u>	<u>Amounts due within one year</u>
RHCP Loan	\$ 2,995,648	\$ 3,285,000	\$ 6,280,648	\$ -
City of San Jose	-	1,022,860	1,022,860	1,022,860
Subtotal	2,995,648	4,307,860	7,303,508	1,022,860
Less unamortized permanent loan costs	-	(4,492)	(4,492)	-
Total	<u>\$ 2,995,648</u>	<u>\$ 4,303,368</u>	<u>\$ 7,299,016</u>	<u>\$ 1,022,860</u>

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

**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.

	December 31, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
Series 2000A Bonds	\$ 136,462	\$ 4,420,000	\$ 4,556,462	\$ 281,462

**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, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
Series 1998A Bonds	\$ 183,954	\$ 9,275,000	\$ 9,458,954	\$ 528,954
Less unamortized				
permanent loan costs	-	(142,584)	\$ (142,584)	-
Total	\$ 183,954	\$ 9,132,416	\$ 9,316,370	\$ 528,954

**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.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

	December 31, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
City of Santa Clara Note	\$ 73,808	\$ 3,574,597	\$ 3,648,405	\$ 144,320
Series 2001A Bonds	10,121	6,318,334	6,328,455	215,121
California HCD Loan	607,056	4,050,500	4,657,556	138,661
Subtotal	690,985	13,943,431	14,634,416	498,102
Less unamortized permanent loan costs	-	(166,060)	(166,060)	-
Total	\$ 690,985	\$ 13,777,371	\$ 14,468,356	\$ 498,102

**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, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
City of Santa Clara Note	\$ 2,368,196	\$ 5,317,000	\$ 7,685,196	\$ -
Series 2001A Bonds	119,188	4,800,000	4,919,188	274,188
Subtotal	2,487,384	10,117,000	12,604,384	274,188
Less unamortized permanent loan costs	-	(143,272)	(143,272)	-
Total	\$ 2,487,384	\$ 9,973,728	\$ 12,461,112	\$ 274,188

**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 in 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.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

	December 31, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
Series 1999A Bonds	\$ 66,123	\$ 12,398,000	\$ 12,464,123	\$ 451,123
CalHFA Note	-	333,547	333,547	-
Subtotal	66,123	12,731,547	12,797,670	451,123
Less unamortized permanent loan costs	-	(315,980)	(315,980)	-
Total	\$ 66,123	\$ 12,415,567	\$ 12,481,690	\$ 451,123

**Julian Street Partners, L.P.**

**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, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
Series 2010A-1 Bonds	\$ 43,979	\$ 4,971,329	\$ 5,015,308	\$ 1,588,979
Less unamortized permanent loan costs	-	(131,863)	(131,863)	-
Total	\$ 43,979	\$ 4,839,466	\$ 4,883,445	\$ 1,588,979

**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.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

	December 31, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
Citibank Loan	\$ -	\$ 133,904	\$ 133,904	\$ 52,845
City of Santa Clara Note	1,001,344	681,176	1,682,520	-
Subtotal	1,001,344	815,080	1,816,424	52,845
Less unamortized permanent loan costs	-	(5,504)	(5,504)	-
Total	\$ 1,001,344	\$ 809,576	\$ 1,810,920	\$ 52,845

**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, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
City of Palo Alto Note	\$ 548,219	\$ 14,500,000	\$ 15,048,219	\$ -
County of Santa Clara Note	-	14,500,000	14,500,000	-
Total	\$ 548,219	\$ 29,000,000	\$ 29,548,219	\$ -

**Rincon Gardens Associates, L.P.**

**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.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

**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, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
2008 Series A-1 and A-2 Bonds	\$ 44,643	\$ 9,698,809	\$ 9,743,452	\$ 448,780
Less unamortized				
permanent loan costs	-	(146,659)	(146,659)	-
<b>Total</b>	<b>\$ 44,643</b>	<b>\$ 9,552,150</b>	<b>\$ 9,596,793</b>	<b>\$ 448,780</b>

**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. The note was paid off during the year ended December 31, 2024.

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

	December 31, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
County of Santa Clara Note	\$ 123,090	\$ 95,000	\$ 218,090	\$ -
Less unamortized				
permanent loan costs	-	(4,247)	(4,247)	-
<b>Total</b>	<b>\$ 123,090</b>	<b>\$ 90,753</b>	<b>\$ 213,843</b>	<b>\$ -</b>

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

**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**

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, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
RHCP Loan	\$ 1,083,192	\$ 1,489,500	\$ 2,572,692	\$ -

**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 (extended to October 26 in 2023). 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.

	December 31, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
Citibank Loan	\$ -	\$ 128,862	\$ 128,862	\$ 69,144
City of San Jose Note	-	1,400,000	1,400,000	-
Total	\$ -	\$ 1,528,862	\$ 1,528,862	\$ 69,144

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

**B. Discretely Presented Component Units**

**Alvarado Park LP**

**Organization**

Alvarado Park LP, a California limited partnership (“Alvarado”), was formed on December 4, 2017, to develop, and operate a 90-unit affordable housing complex located in San Jose, California. Alvarado is controlled by its general partner, Villa Garcia, Inc. (0.01%). The Authority, the initial limited partner, transferred its partnership interest to Enterprise Housing Partners XLIII (99.99%), the current limited partner, on December 19, 2023.

**Long-term debt**

Comerica Bank Construction Loan - The loan in the maximum amount of \$33,247,500, bears variable interest rate based on the Secured Overnight Financing Rate (SOFR). Interest-only payments are due monthly until permanent loan conversion or June 19, 2026, with two six-month extension options.

County of Santa Clara Measure A Loan - The loan in the maximum amount of \$6,400,000, bears simple interest at 4% annually. Payments are subject to excess distributable cash, with the entire balance due in full on the earlier of 55 years after the project’s completion date or January 31, 2080.

County of Santa Clara No Place Like Home (NPLH) Loan - The loan in the maximum amount of \$4,600,000, bears simple interest at 3% annually. Payments are subject to excess distributable cash, with the entire balance due in full on the earlier of 55 years after the project’s completion or January 31, 2080.

	December 31, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
Comerica Bank loan	\$ 9,010	\$ 2,605,410	\$ 2,614,420	\$ -
Measure A loan	123,246	5,755,967	5,879,213	-
NPLH loan	87,158	4,140,000	4,227,158	-
Subtotal	219,414	12,501,377	12,720,791	-
Less unamortized permanent loan costs	-	(375,152)	(375,152)	-
Total	\$ 219,414	\$ 12,126,225	\$ 12,345,639	\$ -

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

**Bellarmino Place LP**

**Organization**

Bellarmino Place LP, a California limited partnership (“Bellarmino”), was formed on December 4, 2017, to develop, own and operate a 116-unit affordable housing complex located in San Jose, California. Bellarmino is controlled by its general partner, Bellarmino Place LLC (0.01%). The Authority, the initial limited partner, transferred its 99.99% partnership interest to Wells Fargo Community Investment Holdings LLC on December 15, 2022.

**Long-term debt**

County of Santa Clara Measure A Housing Bond - The loan in the maximum amount of \$5,750,000, bears no interest. Payments are subject to excess distributable cash, with the entire balance due in full 55 years after the project’s completion.

No Place Like Home (NPLH) Loan - The loan in the maximum amount of \$4,800,000, bears no interest. Payments are subject to excess distributable cash, with the entire balance due in full 55 years after the project’s completion date.

Wells Fargo Loan - The loan in the maximum amount of \$45,199,688, bears variable interest rate based on the Secured Overnight Financing Rate (SOFR). Interest-only payments are due monthly until permanent loan conversion or July 1,2025, subject to extension.

	December 31, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
Measure A loan	\$ -	\$ 5,181,992	\$ 5,181,992	\$ -
NPLH loan	-	4,325,010	4,325,010	-
Wells Fargo loan	-	30,314,754	30,314,754	-
Subtotal	-	39,821,756	39,821,756	-
Less unamortized permanent loan costs	-	(1,069,436)	(1,069,436)	-
Total	\$ -	\$ 38,752,320	\$ 38,752,320	\$ -

**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.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

**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, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
CHRP Loan	\$ 47,733	\$ 9,961,671	\$ 10,009,404	\$ 301,379
CalHFA Loan	36,686	3,368,909	3,405,595	734,308
Subtotal	84,419	13,330,580	13,414,999	1,035,687
Less unamortized				
permanent loan costs	-	(212,605)	(212,605)	-
Total	\$ 84,419	\$ 13,117,975	\$ 13,202,394	\$ 1,035,687

**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 occurred on February 2021.

	December 31, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
Citibank Loan	\$ 6,067	\$ 157,987	\$ 164,054	\$ 141,183

## SANTA CLARA COUNTY HOUSING AUTHORITY

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

### **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 an 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, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
Bank of the West (Tranche A)	\$ -	\$ 3,257,211	\$ 3,257,211	\$ 172,211
Bank of the West (Tranche B)	-	75,177	75,177	75,177
Subtotal	-	3,332,388	3,332,388	247,388
Less unamortized permanent loan costs	-	(40,674)	(40,674)	-
Total	\$ -	\$ 3,291,714	\$ 3,291,714	\$ 247,388

### **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.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

**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, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
CalHFA Loan	\$ 106,506	\$ 19,777,863	\$ 19,884,369	\$ 106,506
City of San Jose Loan	2,195,431	17,245,082	19,440,513	423,347
Subtotal	2,301,937	37,022,945	39,324,882	529,853
Lease liabilities	-	12,383,783	12,383,783	-
Less unamortized permanent loan costs	-	(95,295)	(95,295)	-
Total	\$ 2,301,937	\$ 49,311,433	\$ 51,613,370	\$ 529,853

**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 on July 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.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

	December 31, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
City of San Jose Revenue Bonds	\$ 52,949	\$ 9,435,000	\$ 9,487,949	\$ 307,949
City of San Jose Note	147,188	4,062,541	4,209,729	147,188
Subtotal	200,137	13,497,541	13,697,678	455,137
Lease liabilities	-	8,252,459	8,252,459	-
Less unamortized permanent loan costs	-	(250,068)	(250,068)	-
Total	\$ 200,137	\$ 21,499,932	\$ 21,700,069	\$ 455,137

**Girasol Acquisition L.P.****Organization**

Girasol Acquisition, L.P., a California limited partnership, was formed on June 1, 2022 to develop and operate a 61-unit affordable housing complex located in San Jose, California. The partnership is comprised of its general partner, Girasol Acquisition, LLC., with a 0.01% ownership and Bracher HDC, Inc., an Authority affiliate, as its limited partner with 99.99% ownership.

**Long-term debt**

At December 31, 2024, Girasol Acquisition L.P. does not have unaffiliated long-term debt.

**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.P.G. 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, 2024, Halford Avenue LLC does not have unaffiliated long-term debt.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

**Hawthorn Senior Apartments L.P.**

**Organization**

Hawthorn Senior Apartments L.P., a California limited partnership formed on September 2, 2021, to develop and operate 103-unit affordable housing complex 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.

**Long-term debt**

At December 31, 2024, Hawthorn Senior Apartments L.P. 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, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
Citibank Loan	\$ 2,475	\$ 751,773	\$ 754,248	\$ 146,483
Less unamortized permanent loan costs	-	(52,895)	(52,895)	-
Total	\$ 2,475	\$ 698,878	\$ 701,353	\$ 146,483

**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.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

	December 31, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
HUD Note	\$ 17,317	\$ 7,841,517	\$ 7,858,834	\$ 394,307
Less unamortized permanent loan costs	-	(194,324)	(194,324)	-
<b>Total</b>	<b>\$ 17,317</b>	<b>\$ 7,647,193</b>	<b>\$ 7,664,510</b>	<b>\$ 394,307</b>

**Jardines Poloma Blanca Acquisition L.P.**

**Organization**

Jardines Paloma Blanca Acquisition, L.P., a California limited partnership was formed on June 1, 2022 to develop and operate a 43-unit affordable housing complex located in San Jose, California. The partnership is comprised of its general partner, Jardines Paloma Blanca Acquisition, LLC., with a 0.01% ownership and Bracher HDC, Inc., an Authority affiliate, as its limited partner with 99.99% ownership.

**Long-term debt**

At December 31, 2024, Jardines Poloma Blanca Acquisition L.P. does not have unaffiliated long-term debt.

**Las Golondrinas Acquisition L.P.**

**Organization**

Las Golondrinas Acquisition, L.P., a California limited partnership was formed on June 1, 2022 to acquire, develop and operate a 50-unit affordable housing complex located in San Jose, California, as of December 31, 2023, the partnership has not acquired the property. The partnership is comprised of its general partner, Las Golondrinas Acquisition, LLC., with a 0.01% ownership and Bracher HDC, Inc., an Authority affiliate, as its limited partner with 99.99% ownership.

**Long-term debt**

At December 31, 2024, Las Golondrinas Acquisition L.P. does not have unaffiliated long-term debt.

**Laurel Grove Lane L.P.**

**Organization**

Laurel Grove Lane, L.P. (Laurel Grove), a California limited partnership, was formed on March 27, 2015, to develop, own and operate an 82-unit 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.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

	December 31, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
CalMFA/Citibank Loan	\$ -	\$ 24,713,384	\$ 24,713,384	\$ 603,907
Less unamortized permanent loan costs	-	(164,329)	(164,329)	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 24,549,055</b>	<b>\$ 24,549,055</b>	<b>\$ 603,907</b>

**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, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
Citibank Loan	\$ 31,797	\$ 9,659,987	\$ 9,691,784	\$ 311,541
City of San Jose Note	50,306	2,087,369	2,137,675	443,108
Subtotal	82,103	11,747,356	11,829,459	754,649
Less unamortized permanent loan costs	-	(149,220)	(149,220)	-
<b>Total</b>	<b>\$ 82,103</b>	<b>\$ 11,598,136</b>	<b>\$ 11,680,239</b>	<b>\$ 754,649</b>

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

**Park Avenue Seniors LP.**

**Organization**

Park Avenue Seniors, L.P., a California limited partnership was formed on March 27, 2015 to develop and operate a 100-unit 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 amount of \$20,330,000, bears a variable interest rate. Payments of principal and interest are due every month with the entire principal and interest due in full on November 1, 2049.

	December 31, 2024			
	<u>Interest Payable</u>	<u>Principal</u>	<u>Total</u>	<u>Amounts due within one year</u>
CalMFA/Citibank Loan	\$ -	\$ 18,852,923	\$ 18,852,923	\$ 328,429
Less unamortized permanent loan costs	-	(252,391)	\$ (252,391)	-
Total	<u>\$ -</u>	<u>\$ 18,600,532</u>	<u>\$ 18,600,532</u>	<u>\$ 328,429</u>

**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, 2024, Poinciana LLC does not have unaffiliated long-term debt.

**Rincon De Los Esteros LLC**

**Organization**

Rincon De Los Esteros LLC a California limited liability company was formed on September 22, 2023, to acquire and operate a 246-unit affordable housing complex located in San Jose, California, which is currently operating under the name of Rincon De Los Esteros Apartments. The company is owned by its sole member, Villa Garcia, Inc., which is a nonprofit organization affiliated with the Authority.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

**Long-term debt**

At December 31, 2024, Rincon De Los Esteros LLC does not have unaffiliated long-term debt.

**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, 2024			
	Interest Payable	Principal	Total	Amounts due within one year
Citibank Loan	\$ -	\$ 144,948	\$ 144,948	\$ 133,568
City of Santa Clara Note	60,214	929,451	989,665	133,066
Subtotal	60,214	1,074,399	1,134,613	266,634
Less unamortized permanent loan costs	-	(14,561)	(14,561)	-
Total	\$ 60,214	\$ 1,059,838	\$ 1,120,052	\$ 266,634

**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.

**SANTA CLARA COUNTY HOUSING AUTHORITY**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

June 30, 2025

**Long-term debt**

Series 2005A Multifamily Housing Revenue Refunding Bonds issued by the Authority - The bonds, in the original amount of \$4,284,000, bear 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.

	December 31, 2024			
	<u>Interest Payable</u>	<u>Principal</u>	<u>Total</u>	<u>Amounts due within one year</u>
Series 2005 Bonds	\$ -	\$ 3,212,000	\$ 3,212,000	\$ 101,000
Less unamortized permanent loan costs	-	(107,476)	(107,476)	-
Total	<u>\$ -</u>	<u>\$ 3,104,524</u>	<u>\$ 3,104,524</u>	<u>\$ 101,000</u>

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

Measurement period	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>										
Service cost	\$ 2,787,217	\$ 2,505,328	\$ 2,407,677	\$ 2,061,356	\$ 1,897,315	\$ 1,942,195	\$ 1,667,037	\$ 1,681,600	\$ 1,375,763	\$ 1,327,942
Interest on the total pension liability	6,422,345	6,001,676	5,576,321	5,253,573	4,909,723	4,635,577	4,244,612	4,010,164	3,735,363	3,522,787
Changes of benefit terms	3,107,618	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(1,788,469)	1,177,612	(360,254)	634,367	(160,040)	1,708,139	203,993	400,225	(187,868)	(539,512)
Changes of assumptions	-	-	2,966,292	-	-	-	(463,355)	3,588,716	-	(932,527)
Benefit payments, including refunds of employee contributions	(4,534,463)	(3,206,444)	(2,885,311)	(2,623,533)	(2,805,163)	(2,316,995)	(2,261,652)	(2,030,601)	(1,959,484)	(1,856,519)
Net change in total pension liability	5,994,248	6,478,172	7,704,725	5,325,763	3,841,835	5,968,916	3,390,635	7,650,104	2,963,774	1,522,171
Total pension liability, beginning	92,631,927	86,153,755	78,449,030	73,123,267	69,281,432	63,312,516	59,921,881	52,271,777	49,308,003	47,785,832
<b>Total pension liability, ending</b>	<b>\$ 98,626,175</b>	<b>\$ 92,631,927</b>	<b>\$ 86,153,755</b>	<b>\$ 78,449,030</b>	<b>\$ 73,123,267</b>	<b>\$ 69,281,432</b>	<b>\$ 63,312,516</b>	<b>\$ 59,921,881</b>	<b>\$ 52,271,777</b>	<b>\$ 49,308,003</b>
<b>Plan fiduciary net position</b>										
Contributions, employer	\$ 1,448,403	\$ 1,390,148	\$ 1,302,871	\$ 1,254,775	\$ 1,144,719	\$ 1,085,079	\$ 1,180,279	\$ 820,619	\$ 772,938	\$ 724,610
Contributions, employee	1,057,516	1,145,601	1,071,517	983,068	889,791	909,487	800,615	714,664	680,032	654,082
Net investment income	9,745,231	5,917,767	(7,914,138)	19,372,907	4,119,116	5,079,282	5,688,032	6,350,608	268,603	1,237,885
Plan to plan resource movement	-	-	-	-	-	-	(183)	-	-	(10)
Benefit payments, including refunds of employee contributions	(4,534,463)	(3,206,444)	(2,885,311)	(2,623,533)	(2,805,163)	(2,316,995)	(2,261,652)	(2,030,601)	(1,959,484)	(1,856,519)
Administrative expenses	(83,033)	(71,236)	(65,635)	(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	7,633,654	5,175,836	(8,490,695)	18,900,846	3,231,127	4,700,995	15,745,983	5,771,113	(272,824)	695,580
Plan fiduciary net position, beginning	102,048,788	96,872,952	105,363,647	86,462,801	83,231,674	78,530,679	62,784,696	57,013,583	57,286,407	56,590,827
<b>Plan fiduciary net position, ending</b>	<b>\$ 109,682,442</b>	<b>\$ 102,048,788</b>	<b>\$ 96,872,952</b>	<b>\$ 105,363,647</b>	<b>\$ 86,462,801</b>	<b>\$ 83,231,674</b>	<b>\$ 78,530,679</b>	<b>\$ 62,784,696</b>	<b>\$ 57,013,583</b>	<b>\$ 57,286,407</b>
<b>Plan net pension liability (asset)</b>	<b>\$ (11,056,267)</b>	<b>\$ (9,416,861)</b>	<b>\$ (10,719,197)</b>	<b>\$ (26,914,617)</b>	<b>\$ (13,339,534)</b>	<b>\$ (13,950,242)</b>	<b>\$ (15,218,163)</b>	<b>\$ (2,862,815)</b>	<b>\$ (4,741,806)</b>	<b>\$ (7,978,404)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability (asset)</b>	<b>111.2%</b>	<b>110.2%</b>	<b>112.4%</b>	<b>134.3%</b>	<b>118.2%</b>	<b>120.1%</b>	<b>124.0%</b>	<b>104.8%</b>	<b>109.1%</b>	<b>116.2%</b>
<b>Covered payroll</b>	<b>\$ 17,057,632</b>	<b>\$ 15,570,712</b>	<b>\$ 15,142,619</b>	<b>\$ 14,003,777</b>	<b>\$ 12,845,735</b>	<b>\$ 12,982,590</b>	<b>\$ 10,764,103</b>	<b>\$ 10,830,164</b>	<b>\$ 9,799,581</b>	<b>\$ 9,296,061</b>
<b>Plan net pension liability (asset) as a percentage of covered payroll</b>	<b>-64.8%</b>	<b>-60.5%</b>	<b>-70.8%</b>	<b>-192.2%</b>	<b>-103.8%</b>	<b>-107.5%</b>	<b>-141.4%</b>	<b>-26.4%</b>	<b>-48.4%</b>	<b>-85.8%</b>

**Note to schedule:**

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the June 30, 2023 Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2023 Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

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 with the 2017 CalPERS Experience Study. There were no change in assumptions during measurement periods 2019, 2020 and 2021. During measurement period 2022, the discount rate was reduced from 7.15% to 6.90%, inflation rate was reduced from 2.50% to 2.30%, and demographic assumptions were changed in accordance with the 2021 CalPERS Experience Study. There were no change in assumptions during measurement periods 2023 and 2024.

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

**Miscellaneous Plan**

	<b>Fiscal Year Ended June 30</b>									
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Actuarially determined contributions (ADC)	\$ 1,753,167	\$ 1,448,403	\$ 1,390,148	\$ 1,302,871	\$ 1,254,775	\$ 1,144,719	\$ 1,085,079	\$ 907,800	\$ 820,619	\$ 772,938
Contributions in relation to the ADC	(1,753,167)	(1,448,403)	(1,390,148)	(1,302,871)	(1,254,775)	(1,144,719)	(1,085,079)	(11,802,799)	(820,619)	(772,938)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,894,999)	\$ -	\$ -
Covered payroll	\$ 19,722,190	\$ 17,057,632	\$ 15,570,712	\$ 15,142,619	\$ 14,003,777	\$ 12,845,735	\$ 12,982,590	\$ 10,764,103	\$ 10,830,164	\$ 9,799,581
Contributions as a percentage of covered payroll	8.89%	8.49%	8.93%	8.60%	8.96%	8.91%	8.36%	109.65%	7.58%	7.89%

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2025 were as follows:

ADC for fiscal year	June 30, 2025
Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry-Age Actuarial Cost Method
Asset valuation method	Fair Value of Assets
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.80%
Investment rate of return	6.80%, net of pension plan investment and administrative expenses, includes inflation.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

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

	Fiscal Year Ended June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
<b>Measurement period</b>	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB liability</b>								
Service cost	\$ 575,837	\$ 496,077	\$ 459,639	\$ 471,604	\$ 457,868	\$ 440,022	\$ 426,170	\$ 237,588
Interest on the total OPEB liability	955,746	747,884	684,657	654,866	623,604	684,323	654,776	730,136
Change in benefit terms	2,321,851	2,563,284	451,957	1,441,110	-	-	-	-
Differences between expected and actual experience	921,552	360,498	-	(867,936)	-	(1,437,355)	-	(1,983,828)
Changes of assumptions	(1,300,467)	165,239	-	(613,994)	-	(286,621)	-	2,479,214
Benefit payments, including refunds of employee contributions	(807,830)	(459,025)	(507,201)	(556,853)	(496,779)	(547,592)	(567,588)	(623,707)
Net change in total OPEB liability	2,666,689	3,873,957	1,089,052	528,797	584,693	(1,147,223)	513,358	839,403
Total OPEB liability, beginning	17,205,280	13,331,323	12,242,271	11,713,474	11,128,781	12,276,004	11,762,646	10,923,243
<b>Total OPEB liability, ending</b>	<b>\$ 19,871,969</b>	<b>\$ 17,205,280</b>	<b>\$ 13,331,323</b>	<b>\$ 12,242,271</b>	<b>\$ 11,713,474</b>	<b>\$ 11,128,781</b>	<b>\$ 12,276,004</b>	<b>\$ 11,762,646</b>
<b>Plan fiduciary net position</b>								
Contributions, employer	\$ 807,830	\$ 459,025	\$ 507,201	\$ 556,853	\$ 496,779	\$ 547,592	\$ 3,181,040	\$ 1,058,897
Net investment income	1,321,707	555,521	(2,244,387)	2,932,805	766,326	929,536	605,459	663,997
Benefit payments, including refunds of employee contributions	(807,830)	(459,025)	(507,201)	(556,853)	(496,779)	(547,592)	(567,588)	(623,707)
Administrative expenses	(5,201)	(4,475)	(4,512)	(5,430)	(6,986)	(2,847)	(5,922)	(4,907)
Other expenses	-	-	-	-	-	-	(13,275)	-
Net change in plan fiduciary net position	1,316,506	551,046	(2,248,899)	2,927,375	759,340	926,689	3,199,714	1,094,280
Plan fiduciary net position, beginning	16,152,369	15,601,323	17,850,222	14,922,847	14,163,507	13,236,818	10,037,104	8,942,824
<b>Plan fiduciary net position, ending</b>	<b>\$ 17,468,875</b>	<b>\$ 16,152,369</b>	<b>\$ 15,601,323</b>	<b>\$ 17,850,222</b>	<b>\$ 14,922,847</b>	<b>\$ 14,163,507</b>	<b>\$ 13,236,818</b>	<b>\$ 10,037,104</b>
<b>Plan net OPEB liability (asset)</b>	<b>\$ 2,403,094</b>	<b>\$ 1,052,911</b>	<b>\$ (2,270,000)</b>	<b>\$ (5,607,951)</b>	<b>\$ (3,209,373)</b>	<b>\$ (3,034,726)</b>	<b>\$ (960,814)</b>	<b>\$ 1,725,542</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability (asset)</b>	<b>87.9%</b>	<b>93.9%</b>	<b>117.0%</b>	<b>145.8%</b>	<b>127.4%</b>	<b>127.3%</b>	<b>107.8%</b>	<b>85.3%</b>
<b>Covered payroll</b>	<b>\$ 16,020,981</b>	<b>\$ 17,294,753</b>	<b>\$ 15,796,851</b>	<b>\$ 14,248,788</b>	<b>\$ 13,335,529</b>	<b>\$ 13,347,908</b>	<b>\$ 12,060,330</b>	<b>\$ 11,058,300</b>
<b>Plan net OPEB liability (asset) as a percentage of covered payroll</b>	<b>15.0%</b>	<b>6.1%</b>	<b>-14.4%</b>	<b>-39.4%</b>	<b>-24.1%</b>	<b>-22.7%</b>	<b>-8.0%</b>	<b>15.6%</b>

**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 changed 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 updated. There was no change in assumptions during measurement period 2022. During measurement year 2023, healthcare cost trend rates were adjusted and demographic assumptions were changed in accordance with CalPERS 2021 Experience Study. During measurement period 2024, the discount rate was increased from 5.50% to 6.00%, and healthcare cost trend assumptions were updated.

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

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

**OPEB Plan**

Fiscal year ended June	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contributions (ADC)	\$ 848,168	\$ 842,840	\$ 328,984	\$ 223,697	\$ 226,273	\$ 229,107	\$ 390,670	\$ 594,813
Contributions in relation to the ADC	(977,602)	(807,830)	(459,025)	(507,201)	(556,853)	(496,779)	(547,592)	(3,181,040)
Contribution deficiency (excess)	<u>\$ (129,434)</u>	<u>\$ 35,010</u>	<u>\$ (130,041)</u>	<u>\$ (283,504)</u>	<u>\$ (330,580)</u>	<u>\$ (267,672)</u>	<u>\$ (156,922)</u>	<u>\$ (2,586,227)</u>
Covered payroll	\$ 19,722,190	\$ 16,020,981	\$ 17,294,753	\$ 15,796,851	\$ 14,248,788	\$ 13,335,529	\$ 13,347,908	\$ 12,060,330
Contributions as a percentage of covered payroll	4.96%	5.04%	2.65%	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, 2025 were as follows:

ADC for fiscal year	June 30, 2025
Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry Age Normal Cost, level percent of pay
Asset valuation method	Market value of assets
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	5.50%
Healthcare cost trend rates	Medical plan premium: Healthcare cost trend rate of 6.5% in 2025, fluctuating down to 3.9% in 2075. PMEHCA: 4.0% increase per year Dental and vision premium: 3.5% increase per year
Mortality	Derived using CalPERS' Membership Data for all Funds Demographic actuarial assumptions used are based on the 2021 CalPERS Experience Study, except for the MacLeod Watts Scale 2022 applied generationally from 2017 as the basis to project future mortality improvements.

\* Fiscal year ended June 30, 2018 was the first year of implementation of GASB Statement No. 75, therefore only eight 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, 2024  
(With Comparative Totals as of December 31, 2023)

	Alvarado Park LP (3)	Bellarmino Place L.P. (1)	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)	Girasol Acquisition LP (1)	Halford LLC (2)	Hawthorn Senior Apartments LP (4)	Hermocilla LLC (1)	Huff Avenue LLC (1)
<b>Assets:</b>												
<b>Current assets:</b>												
<b>Cash:</b>												
Unrestricted	\$ 571,721	\$ 3,480,830	\$ 1,360,785	\$ 88,145	\$ 706,802	\$ 2,355,681	\$ 3,096,497	\$ 114,001	\$ 366,865	\$ 5,281,044	\$ 885,558	\$ 1,178,294
Tenant security deposits	-	100	53,519	51,238	55,991	324,116	193,960	19,200	2,700	-	72,899	67,809
Total cash	571,721	3,480,930	1,414,304	139,383	762,793	2,679,797	3,290,457	133,201	369,565	5,281,044	958,457	1,246,103
<b>Accounts receivable:</b>												
Tenants	-	6,828	10,007	9,515	56,579	5,519	858	4,998	-	-	-	28,357
HUD	-	-	3,062	-	1,766	-	-	154,013	-	-	-	119,535
Others	-	-	21,325	3,029	1,252	-	-	6,412	773	842	1,936	9,891
Total accounts receivable, net	-	6,828	34,394	12,544	59,597	5,519	858	165,423	773	842	1,936	157,783
Prepaid expenses	-	106,781	31,652	20,856	18,999	281,834	206,801	26,533	9,140	-	37,619	33,144
Restricted cash and cash equivalents	-	-	2,389,448	183,698	1,034,467	1,398,946	3,012,967	163,742	44,605	-	163,190	5,100,470
Total current assets	571,721	3,594,539	3,869,798	356,481	1,875,856	4,366,096	6,511,083	488,899	424,083	5,281,886	1,161,202	6,537,500
<b>Noncurrent assets:</b>												
Prepaid costs, net	-	108,177	-	-	-	-	-	-	-	-	-	-
<b>Capital assets:</b>												
Nondepreciable	46,246,035	7,867,668	3,809,006	1,697,718	213,984	40,077	-	407,246	-	16,300,200	1,524,051	3,862,726
Depreciable, net	-	81,404,075	26,079,858	1,514,368	16,580,323	52,670,618	29,602,297	3,665,454	1,550,539	-	847,734	3,640,351
Total capital assets	46,246,035	89,271,743	29,888,864	3,212,086	16,794,307	52,710,695	29,602,297	4,072,700	1,550,539	16,300,200	2,371,785	7,503,077
Total noncurrent assets	46,246,035	89,379,920	29,888,864	3,212,086	16,794,307	52,710,695	29,602,297	4,072,700	1,550,539	16,300,200	2,371,785	7,503,077
Total assets	46,817,756	92,974,459	33,758,662	3,568,567	18,670,163	57,076,791	36,113,380	4,561,599	1,974,622	21,582,086	3,532,987	14,040,577
<b>Liabilities:</b>												
<b>Current liabilities:</b>												
Accounts payable	9,809,908	12,788,084	87,909	59,006	54,531	846,608	50,570	58,449	14,932	1,837,036	67,737	456,014
Payable to related parties	-	-	-	-	6,720	606,574	807,005	-	218	-	-	-
Due to primary government	-	-	1,652	613	626,345	16,839	14,430	-	178,470	-	11,037	20,000
Tenant security deposits	-	42,000	53,519	51,238	55,991	321,292	189,109	16,980	2,700	-	72,899	67,809
Unearned revenues	-	21,125	42,116	2,044	22,239	2,611	29	1,313	-	-	7,670	21,485
Interest payable	-	-	84,419	6,067	-	106,506	200,137	-	-	-	2,475	17,317
Current portion of long-term obligations	-	-	951,268	135,116	247,388	423,347	255,000	-	-	-	144,008	376,990
Total current liabilities	9,809,908	12,851,209	1,220,883	254,084	1,013,214	2,323,777	1,516,280	76,742	196,320	1,837,036	305,826	959,615
<b>Noncurrent liabilities:</b>												
Interest payable, net of current portion	219,414	-	-	-	-	2,195,431	-	-	-	-	-	-
Long-term obligations, net of current portion	12,126,225	38,752,320	12,166,707	22,871	3,044,326	48,888,086	21,244,932	-	-	-	554,870	7,270,203
Advance from primary government	22,219,663	36,845,235	15,426,269	2,627,284	4,547,438	-	-	4,988,988	1,519,880	17,631,050	-	-
Total noncurrent liabilities	34,565,302	75,597,555	27,592,976	2,650,155	7,591,764	51,083,517	21,244,932	4,988,988	1,519,880	17,631,050	554,870	7,270,203
Total liabilities	44,375,210	88,448,764	28,813,859	2,904,239	8,604,978	53,407,294	22,761,212	5,065,730	1,716,200	19,468,086	860,696	8,229,818
<b>Net position:</b>												
Net investment in capital assets	12,789,058	15,245,438	5,688,142	492,617	8,472,383	3,399,262	8,102,365	(669,646)	(146,523)	16,300,200	1,672,907	4,023,207
Restricted	-	-	2,389,448	183,698	1,034,467	1,398,946	3,012,967	163,742	44,605	-	163,190	933,147
Unrestricted (deficits)	(10,346,512)	(10,719,743)	(3,132,787)	(11,987)	(558,335)	(1,128,711)	2,236,836	1,773	360,340	(14,186,200)	836,194	854,405
Total net position	\$ 2,442,546	\$ 4,525,695	\$ 4,944,803	\$ 664,328	\$ 10,065,185	\$ 3,669,497	\$ 13,352,168	\$ (504,131)	\$ 258,422	\$ 2,114,000	\$ 2,672,291	\$ 5,810,759

- (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.
- (3) Component unit was audited by other auditors as a subsidiary of the Villa Garcia, Inc.
- (4) Component unit was audited by other auditors as a subsidiary of the DeRose HDC, 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, 2024  
(With Comparative Totals as of December 31, 2023)

	Jardines Paloma Blanca Acquisition LP (1)	Julian Street Partners, L.P. (1)	Las Golondrinas Acquisition LP (3)	Laurel Grove Lane, L.P. (1)	McCreery Avenue L.P. (1)	Park Avenue Seniors, L.P. (1)	Poinciana LLC (2)	Rincon De Los Esteros LLC (1)	South Drive LLC (1)	Willows HACSC Associates (1)	Elimination/ Adjustment	2024 Total	2023 Total
<b>Assets:</b>													
<b>Current assets:</b>													
<b>Cash:</b>													
Unrestricted	\$ 244,702	\$ -	\$ 4,863,632	\$ 599,459	\$ 662,570	\$ 1,268,874	\$ 123,887	\$ 2,395,574	\$ 203,630	\$ 411,868	\$ -	\$ 30,260,419	\$ 39,144,934
Tenant security deposits	14,785	-	-	118,175	121,301	89,500	6,000	370,559	64,612	48,945	-	1,675,409	1,444,480
<b>Total cash</b>	<b>259,487</b>	<b>-</b>	<b>4,863,632</b>	<b>717,634</b>	<b>783,871</b>	<b>1,358,374</b>	<b>129,887</b>	<b>2,766,133</b>	<b>268,242</b>	<b>460,813</b>	<b>-</b>	<b>31,935,828</b>	<b>40,589,414</b>
<b>Accounts receivable:</b>													
Tenants	9,198	-	-	14,612	4,015	4,302	-	73,499	7,977	18,188	-	254,452	389,669
HUD	-	-	-	131,808	-	19,491	856	274	6,093	-	-	436,898	235,420
Others	3,648	-	-	51,164	10,217	25,592	-	10,984	1,838	4,233	-	153,136	2,490,212
<b>Total accounts receivable, net</b>	<b>12,846</b>	<b>-</b>	<b>-</b>	<b>197,584</b>	<b>14,232</b>	<b>49,385</b>	<b>856</b>	<b>84,757</b>	<b>15,908</b>	<b>22,421</b>	<b>-</b>	<b>844,486</b>	<b>3,115,301</b>
Prepaid expenses	21,979	-	-	92,461	63,111	48,215	3,306	167,816	22,614	16,525	-	1,209,386	831,788
Restricted cash and cash equivalents	227,559	-	-	931,634	824,816	682,449	27,579	2,335,574	198,716	270,753	-	18,990,613	20,909,114
<b>Total current assets</b>	<b>521,871</b>	<b>-</b>	<b>4,863,632</b>	<b>1,939,313</b>	<b>1,686,030</b>	<b>2,138,423</b>	<b>161,628</b>	<b>5,354,280</b>	<b>505,480</b>	<b>770,512</b>	<b>-</b>	<b>52,980,313</b>	<b>65,445,617</b>
<b>Noncurrent assets:</b>													
Prepaid costs, net	-	-	-	24,437	11,301	64,305	-	-	-	-	-	208,220	140,241
<b>Capital assets:</b>													
Nondepreciable	439,952	-	143,776	2,731,360	1,506,600	6,435,756	-	26,806,770	1,857,880	-	(946,255)	120,944,550	106,222,730
Depreciable, net	2,186,113	-	-	45,321,452	32,017,245	53,179,890	922,930	22,724,552	1,759,581	2,277,754	(19,553,383)	358,391,751	338,860,718
<b>Total capital assets</b>	<b>2,626,065</b>	<b>-</b>	<b>143,776</b>	<b>48,052,812</b>	<b>33,523,845</b>	<b>59,615,646</b>	<b>922,930</b>	<b>49,531,322</b>	<b>3,617,461</b>	<b>2,277,754</b>	<b>(20,499,638)</b>	<b>479,336,301</b>	<b>445,083,448</b>
<b>Total noncurrent assets</b>	<b>2,626,065</b>	<b>-</b>	<b>143,776</b>	<b>48,077,249</b>	<b>33,535,146</b>	<b>59,679,951</b>	<b>922,930</b>	<b>49,531,322</b>	<b>3,617,461</b>	<b>2,277,754</b>	<b>(20,499,638)</b>	<b>479,544,521</b>	<b>445,223,689</b>
<b>Total assets</b>	<b>3,147,936</b>	<b>-</b>	<b>5,007,408</b>	<b>50,016,562</b>	<b>35,221,176</b>	<b>61,818,374</b>	<b>1,084,558</b>	<b>54,885,602</b>	<b>4,122,941</b>	<b>3,048,266</b>	<b>(20,499,638)</b>	<b>532,524,834</b>	<b>510,669,306</b>
<b>Liabilities:</b>													
<b>Current liabilities:</b>													
Accounts payable	54,890	-	12,188	146,774	153,168	122,026	11,507	223,669	68,254	81,226	-	27,004,486	15,130,333
Payable to related parties	-	-	-	9,020	-	10,000	10,185	-	-	-	-	1,449,722	1,488,660
Due to primary government	-	-	-	245,849	174,533	582,122	108,598	1,183,649	10,670	110,343	-	3,285,150	5,467,768
Tenant security deposits	12,011	-	-	118,175	121,140	89,500	6,000	367,568	63,489	48,945	-	1,700,365	1,796,895
Unearned revenues	71	-	-	148,166	2,875	59,663	856	16,039	9,021	41,039	-	398,362	310,563
Interest payable	-	-	-	-	82,103	-	-	-	60,214	-	-	559,238	758,868
Current portion of long-term obligations	-	-	-	603,907	672,546	328,429	-	-	206,420	101,000	-	4,445,419	5,905,608
<b>Total current liabilities</b>	<b>66,972</b>	<b>-</b>	<b>12,188</b>	<b>1,271,891</b>	<b>1,206,365</b>	<b>1,191,740</b>	<b>137,146</b>	<b>1,790,925</b>	<b>418,068</b>	<b>382,553</b>	<b>-</b>	<b>38,842,742</b>	<b>30,858,695</b>
<b>Noncurrent liabilities:</b>													
Interest payable, net of current portion	-	-	-	-	-	-	-	-	-	-	-	2,414,845	2,607,637
Long-term obligations, net of current portion	-	-	-	23,945,148	10,925,590	18,272,103	-	-	853,418	3,003,524	-	201,070,323	169,267,756
Advance from primary government	3,435,863	-	5,263,014	11,871,722	12,572,344	24,548,678	393,790	52,783,454	-	329,741	-	217,004,413	195,988,557
<b>Total noncurrent liabilities</b>	<b>3,435,863</b>	<b>-</b>	<b>5,263,014</b>	<b>35,816,870</b>	<b>23,497,934</b>	<b>42,820,781</b>	<b>393,790</b>	<b>52,783,454</b>	<b>853,418</b>	<b>3,333,265</b>	<b>-</b>	<b>420,489,581</b>	<b>367,863,950</b>
<b>Total liabilities</b>	<b>3,502,835</b>	<b>-</b>	<b>5,275,202</b>	<b>37,088,761</b>	<b>24,704,299</b>	<b>44,012,521</b>	<b>530,936</b>	<b>54,574,379</b>	<b>1,271,486</b>	<b>3,715,818</b>	<b>-</b>	<b>459,332,323</b>	<b>398,722,645</b>
<b>Net position:</b>													
Net investment in capital assets	(641,242)	-	(4,856,224)	15,122,166	10,979,062	20,686,127	414,370	(4,417,398)	2,557,623	(826,770)	(20,499,638)	93,887,486	88,937,681
Restricted	227,559	-	-	931,634	824,816	682,449	27,579	2,335,574	198,716	270,753	-	14,823,290	16,187,382
Unrestricted (deficits)	58,784	-	4,588,430	(3,125,999)	(1,287,001)	(3,562,723)	111,673	2,393,047	95,116	(111,535)	-	(35,518,265)	6,821,598
<b>Total net position</b>	<b>\$ (354,899)</b>	<b>\$ -</b>	<b>\$ (267,794)</b>	<b>\$ 12,927,801</b>	<b>\$ 10,516,877</b>	<b>\$ 17,805,853</b>	<b>\$ 553,622</b>	<b>\$ 311,223</b>	<b>\$ 2,851,455</b>	<b>\$ (667,552)</b>	<b>\$ (20,499,638)</b>	<b>\$ 73,192,511</b>	<b>\$ 111,946,661</b>

- (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.
- (3) Component unit was audited by other auditors as a subsidiary of the Villa Garcia, Inc.
- (4) 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 - Discretely Presented Component Units  
For Year Ended December 31, 2024  
(With Comparative Totals For the Year Ended December 31, 2023)

	Alvarado Park LP (3)	Bellarmino Place L.P. (1)	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)	Girasol Acquisition LP (1)	Halford LLC (2)	Hawthorn Senior Apartments LP (4)	Hermocilla LLC (1)	Huff Avenue LLC (1)
<b>Operating revenues:</b>												
Rental income	\$ -	\$ 37,108	\$ 2,646,969	1,000,859	\$ 2,027,645	\$ 7,908,951	\$ 5,846,063	\$ 544,075	\$ 381,730	\$ -	\$ 1,646,156	\$ 2,126,341
Tenant revenue - other	-	-	14,507	-	10,204	7,665	-	-	-	-	-	-
Donation and other	-	5,938	7,747	20,280	620	12,371	19,546	4,992	468	-	10,700	23,737
Total operating revenues	-	43,046	2,669,223	1,021,139	2,038,469	7,928,987	5,865,609	549,067	382,198	-	1,656,856	2,150,078
<b>Operating expenses:</b>												
Administrative	-	33,771	338,998	241,411	357,156	165,288	97,984	202,654	42,614	-	297,698	396,061
Utilities	-	-	92,639	89,731	119,393	730,226	349,998	88,765	23,814	-	155,823	133,728
Maintenance and operations	-	19,856	403,467	450,229	238,334	1,445,543	721,365	179,908	89,692	-	343,828	395,377
Marketing and leasing	-	98,539	-	-	2,782	-	931	-	-	-	-	-
Insurance and taxes	-	749	129,578	75,611	89,228	374,597	174,031	117,933	16,627	-	82,475	133,092
Other general expenses	204	24,522	51,258	-	-	334,802	251,492	-	-	-	-	-
Depreciation and amortization	-	190,552	1,031,015	169,788	633,343	1,956,774	975,965	94,803	152,967	-	386,034	287,257
Total operating expenses	204	367,989	2,046,955	1,026,770	1,440,236	5,007,230	2,571,766	684,063	325,714	-	1,265,858	1,345,515
Operating income (loss)	(204)	(324,943)	622,268	(5,631)	598,233	2,921,757	3,293,843	(134,996)	56,484	-	390,998	804,563
<b>Nonoperating revenues (expenses):</b>												
Investment income	1,478	(21,712)	20,007	419	4,148	27,676	2,461	11	952	-	860	15,804
Interest expense	-	(128,917)	(1,164,331)	(59,468)	(275,122)	(1,833,725)	(721,983)	(140,835)	(442)	-	(39,167)	(223,904)
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	-	(4,946)	(28,460)
Partnership and asset management fees	-	(11,250)	(16,126)	(10,000)	(6,720)	(73,826)	(428,812)	-	(9,102)	-	(10,000)	(10,000)
Incentive, issuer and investor service fees	-	-	-	-	-	(549,587)	(403,457)	-	-	-	-	-
Bond and loan fees	-	-	-	-	(4,000)	-	(40,481)	-	-	-	-	-
Other nonoperating revenue (expense), net	-	-	-	-	-	(1,139,790)	(1,054,729)	-	-	-	-	-
Total nonoperating revenues (expenses)	1,478	(161,879)	(1,160,450)	(69,049)	(281,694)	(3,569,252)	(2,647,001)	(140,824)	(8,592)	-	(53,253)	(246,560)
Income (loss) before capital contributions and												
Income (loss) before capital contributions	1,274	(486,822)	(538,182)	(74,680)	316,539	(647,495)	646,842	(275,820)	47,892	-	337,745	558,003
Capital contributions (distributions)	-	(169,000)	-	-	-	(725,484)	(94,022)	-	-	2,114,833	(426,097)	-
Change in net position	1,274	(655,822)	(538,182)	(74,680)	316,539	(1,372,979)	552,820	(275,820)	47,892	2,114,833	(88,352)	558,003
Net position beginning of year, as reported	2,441,272	5,181,517	5,482,985	739,008	9,748,646	5,042,476	12,799,348	(228,311)	210,530	-	2,760,643	5,252,756
Change in reporting entity	-	-	-	-	-	-	-	-	-	(833)	-	-
Net position, beginning of year, as restated	2,441,272	5,181,517	5,482,985	739,008	9,748,646	5,042,476	12,799,348	(228,311)	210,530	(833)	2,760,643	5,252,756
Net position, ending of year	\$ 2,442,546	\$ 4,525,695	\$ 4,944,803	\$ 664,328	\$ 10,065,185	\$ 3,669,497	\$ 13,352,168	\$ (504,131)	\$ 258,422	\$ 2,114,000	\$ 2,672,291	\$ 5,810,759

(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.
- (3) Component unit was audited by other auditors as a subsidiary of the Villa Garcia, Inc.
- (4) 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 - Discretely Presented Component Units (Continued)  
For Year Ended December 31, 2024  
(With Comparative Totals For the Year Ended December 31, 2023)

	Jardines Paloma Blanca Acquisition LP (1)	Julian Street Partners, L.P. (1)	Las Golondrinas Acquisition LP (3)	Laurel Grove Lane, L.P. (1)	McCreery Avenue L.P. (1)	Park Avenue Seniors, L.P. (1)	Poinciana LLC (2)	Rincon De Los Esteros LLC (1)	South Drive LLC (1)	Willows HACSC Associates (1)	Elimination/ Adjustment	2024 Total	2023 Total
<b>Operating revenues:</b>													
Rental income	\$ 449,920	\$ -	\$ -	\$ 3,059,671	\$ 2,898,498	\$ 2,941,700	\$ 275,688	\$ 5,590,058	\$ 1,100,175	\$ 1,020,912	\$ -	\$ 41,502,519	\$ 43,552,001
Tenant revenue - other	-	-	-	-	37,602	-	-	-	-	-	-	69,978	38,697
Donation and other	181	-	-	19,542	10,560	11,004	40	87,751	14,233	9,988	-	259,698	226,349
Total operating revenues	450,101	-	-	3,079,213	2,946,660	2,952,704	275,728	5,677,809	1,114,408	1,030,900	-	41,832,195	43,817,047
<b>Operating expenses:</b>													
Administrative	133,577	-	267,746	470,827	399,818	384,274	38,871	1,119,886	288,233	233,438	-	5,510,305	5,348,953
Utilities	86,976	-	-	264,178	320,429	203,395	18,305	520,338	113,522	101,968	-	3,413,228	3,153,868
Maintenance and operations	176,449	-	-	363,071	571,882	296,151	89,179	915,289	286,675	221,529	-	7,207,824	6,680,662
Marketing and leasing	-	-	-	-	2,939	-	-	-	-	-	-	105,191	9,849
Insurance and taxes	71,575	-	-	127,688	172,304	91,246	8,478	853,637	74,031	60,230	-	2,653,110	1,798,639
Other general expenses	-	-	-	-	-	-	-	-	-	-	-	662,278	1,030,473
Depreciation and amortization	56,595	-	-	1,451,288	1,155,012	1,685,364	93,163	582,799	176,329	206,935	-	11,285,983	12,567,548
Total operating expenses	525,172	-	267,746	2,677,052	2,622,384	2,660,430	247,996	3,991,949	938,790	824,100	-	30,837,919	30,589,992
Operating income (loss)	(75,071)	-	(267,746)	402,161	324,276	292,274	27,732	1,685,860	175,618	206,800	-	10,994,276	13,227,055
<b>Nonoperating revenues (expenses):</b>													
Investment income	7	-	-	1,729	1,977	58	580	29,907	454	2,892	-	89,708	124,712
Interest expense	(96,588)	-	-	(1,348,371)	(745,848)	(1,602,473)	(316)	(1,499,424)	(65,783)	(124,346)	-	(10,071,043)	(9,703,130)
Loss on disposal of capital assets	-	-	-	-	(52,987)	-	-	-	(4,601)	(20,934)	-	(111,928)	(347,357)
Partnership and asset management fees	-	-	-	(53,822)	(30,000)	(259,045)	-	(15,000)	(10,000)	(59,859)	-	(1,003,562)	(772,131)
Incentive, issuer and investor service fees	-	-	-	-	-	-	-	-	-	-	-	(953,044)	(951,764)
Bond and loan fees	-	-	-	(12,646)	(22,758)	(10,900)	-	(4,804)	-	(39,325)	-	(134,914)	(260,267)
Other nonoperating revenue (expense), net	-	-	-	-	-	-	-	-	-	(30,685)	-	(2,225,204)	(2,146,007)
Total nonoperating revenues (expenses)	(96,581)	-	-	(1,413,110)	(849,616)	(1,872,360)	264	(1,489,321)	(79,930)	(272,257)	-	(14,409,987)	(14,055,944)
Income (loss) before capital contributions	(171,652)	-	(267,746)	(1,010,949)	(525,340)	(1,580,086)	27,996	196,539	95,688	(65,457)	-	(3,415,711)	(828,889)
Capital contributions (distributions)	-	-	-	-	-	-	-	-	-	-	-	700,230	191,216
Change in net position	(171,652)	-	(267,746)	(1,010,949)	(525,340)	(1,580,086)	27,996	196,539	95,688	(65,457)	-	(2,715,481)	(637,673)
Net position beginning of year, as reported	(183,247)	36,037,836	(48)	13,938,750	11,042,217	19,385,939	525,626	114,684	2,755,767	(602,095)	(20,499,638)	111,946,661	112,585,872
Change in reporting entity	-	(36,037,836)	-	-	-	-	-	-	-	-	-	(36,038,669)	(1,538)
Net position, beginning of year, as restated	(183,247)	-	(48)	13,938,750	11,042,217	19,385,939	525,626	114,684	2,755,767	(602,095)	(20,499,638)	75,907,992	112,584,334
Net position, ending of year	\$ (354,899)	\$ -	\$ (267,794)	\$ 12,927,801	\$ 10,516,877	\$ 17,805,853	\$ 553,622	\$ 311,223	\$ 2,851,455	\$ (667,552)	\$ (20,499,638)	\$ 73,192,511	\$ 111,946,661

- (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.  
(3) Component unit was audited by other auditors as a subsidiary of the Villa Garcia, Inc.  
(4) 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 by Programs  
For the Year Ended June 30, 2025 (With Blended Component units as of December 31, 2024)  
(With Comparative Totals as of June 30, 2024)

	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	Real Estate Development	Asset Management
<b>Assets:</b>										
<b>Current assets:</b>										
Unrestricted cash and cash equivalents	\$ 39,964	\$ 1	\$ -	\$ 1,664,737	\$ 1,729,265	\$ 6,796,090	\$ 39,067,637	\$ 748	\$ 6,725,789	\$ 26,611
Unrestricted short term investments	-	-	-	-	-	11,843,218	-	-	14,898,730	-
<b>Accounts receivable:</b>										
Tenants	376	-	-	-	978	-	-	-	-	-
HUD	-	-	199,548	-	152,981	-	24,615,671	18,815	-	-
Others	2,094	-	-	999,840	219,322	-	179,490	-	461,477	18,987
Interest receivable	-	-	-	-	-	45,163	-	-	149,527	-
Due from other programs	6,922	-	368	1,977,011	119,376	-	3,278,771	-	1,380,628	187,879
Due from component units and related parties	-	-	-	91,508	-	277,068	-	-	1,305,434	13,769
Prepaid expenses	1,035	-	-	648,435	65,144	-	594,508	-	80,633	111,250
Restricted cash and cash equivalents	400	-	-	-	2,624,550	-	-	-	39,381,935	25,490
Restricted cash in FSS escrow	-	-	-	4,649,827	286,198	-	-	-	-	-
Restricted short term investments	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>50,791</b>	<b>1</b>	<b>199,916</b>	<b>10,031,358</b>	<b>5,197,814</b>	<b>18,961,539</b>	<b>67,736,077</b>	<b>19,563</b>	<b>64,384,153</b>	<b>383,986</b>
<b>Noncurrent assets:</b>										
Long term investments	-	-	-	-	-	23,852,831	-	-	-	-
Restricted long term investments	-	-	-	2,311,504	-	-	-	-	179,334	119,556
Long-term receivables from non-related parties	-	-	-	-	-	940,640	-	-	14,411,850	-
Long-term receivables from component units and related parties	-	617,466	-	1,747,585	-	36,576,559	-	-	271,849,623	50,902
Net pension asset	-	-	-	9,098,167	-	-	-	-	919,649	1,245,027
Equity interest in affiliated limited partnerships	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	597,715	-	-	-
<b>Capital assets:</b>										
Nondepreciable	153,635	-	-	15,209,739	-	5,333,062	-	-	51,730,818	238,272
Depreciable, net	437,635	-	-	2,408,342	-	-	-	-	11,235,347	10,736
<b>Total capital assets</b>	<b>591,270</b>	<b>-</b>	<b>-</b>	<b>17,618,081</b>	<b>-</b>	<b>5,333,062</b>	<b>-</b>	<b>-</b>	<b>62,966,165</b>	<b>249,008</b>
<b>Total noncurrent assets</b>	<b>591,270</b>	<b>617,466</b>	<b>-</b>	<b>30,775,337</b>	<b>-</b>	<b>66,703,092</b>	<b>597,715</b>	<b>-</b>	<b>350,326,621</b>	<b>1,664,493</b>
<b>Total assets</b>	<b>642,061</b>	<b>617,467</b>	<b>199,916</b>	<b>40,806,695</b>	<b>5,197,814</b>	<b>85,664,631</b>	<b>68,333,792</b>	<b>19,563</b>	<b>414,710,774</b>	<b>2,048,479</b>
<b>Deferred outflows of resources:</b>										
Pension items	-	-	10,595	3,978,729	185,072	-	-	10,909	448,658	109,502
Other post employment benefits (OPEB) items	-	-	-	2,509,299	50,127	-	-	-	185,258	141,371
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>10,595</b>	<b>6,488,028</b>	<b>235,199</b>	<b>-</b>	<b>-</b>	<b>10,909</b>	<b>633,916</b>	<b>250,873</b>

**SANTA CLARA COUNTY HOUSING AUTHORITY**  
(A Component Unit of the County of Santa Clara)  
Combining Statement of Net Position by Programs  
For the Year Ended June 30, 2025 (With Blended Component units as of December 31, 2024)  
(With Comparative Totals as of June 30, 2024)

	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	Real Estate Development	Asset Management
<b>Liabilities:</b>										
<b>Current liabilities:</b>										
Accounts payable	5,361	-	109,314	810,302	117,196	-	565,400	3,876	862,721	84,687
Accrued wages and benefits	-	-	2,841	229,937	39,909	-	-	3,381	56,798	46,177
Accrued interest payable	-	-	-	724,714	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	8,576	-	71,079	-	-	-
Due to other programs	-	-	85,065	2,543	126,208	797,237	488,970	-	3,163,535	768,304
Due to component units and related parties	-	-	-	-	-	-	-	-	-	8,365
Other accrued liabilities	8,995	-	-	-	-	-	-	-	-	-
Tenant security deposits	400	-	-	-	-	-	-	-	10,000	-
Unearned revenue	-	-	-	-	1,466,083	90	-	-	6,052	-
Current portion of accrued vacation and sick leave	-	-	1,344	534,873	97,480	-	-	8,282	83,694	101,651
Current portion of FSS escrow	-	-	-	554,148	13,857	-	-	-	-	-
Current portion of long-term obligations	-	-	-	1,775,443	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>14,756</b>	<b>-</b>	<b>198,564</b>	<b>4,631,960</b>	<b>1,869,309</b>	<b>797,327</b>	<b>1,125,449</b>	<b>15,539</b>	<b>4,182,800</b>	<b>1,009,184</b>
<b>Noncurrent liabilities:</b>										
FSS escrow	-	-	-	4,095,679	272,341	-	-	-	-	-
Accrued vacation and sick leave, net of current portion	-	-	1,352	399,982	71,156	-	-	4,024	56,634	74,566
Payable to component units and related parties, net of current portion	-	-	-	-	-	-	-	-	-	-
Other obligations, net of current portion	-	-	-	-	-	-	-	-	-	-
Long-term interest payable	-	-	-	-	-	-	-	-	-	-
Long-term obligations, net of current portion	-	-	-	849,958	-	-	-	-	-	-
Net pension liability	-	-	10,595	-	185,072	-	-	10,909	-	-
Net OPEB liability	-	-	-	2,072,032	50,127	-	-	-	204,928	76,007
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>11,947</b>	<b>7,417,651</b>	<b>578,696</b>	<b>-</b>	<b>-</b>	<b>14,933</b>	<b>261,562</b>	<b>150,573</b>
<b>Total liabilities</b>	<b>14,756</b>	<b>-</b>	<b>210,511</b>	<b>12,049,611</b>	<b>2,448,005</b>	<b>797,327</b>	<b>1,125,449</b>	<b>30,472</b>	<b>4,444,362</b>	<b>1,159,757</b>
<b>Deferred inflows of resources:</b>										
Pension items	-	-	-	1,232,302	-	-	-	-	105,522	63,931
OPEB items	-	-	-	2,138,343	-	-	-	-	152,416	124,534
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,370,645</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>257,938</b>	<b>188,465</b>
<b>Net position:</b>										
Net investment in capital assets	591,270	-	-	14,992,680	-	5,333,062	-	-	62,966,165	249,008
Restricted	-	-	-	11,409,671	1,348,101	-	-	-	40,470,918	1,390,073
Unrestricted	36,035	617,467	-	5,472,116	1,636,907	79,534,242	67,208,343	-	307,205,307	(687,951)
<b>Total net position</b>	<b>\$ 627,305</b>	<b>\$ 617,467</b>	<b>\$ -</b>	<b>\$ 31,874,467</b>	<b>\$ 2,985,008</b>	<b>\$ 84,867,304</b>	<b>\$ 67,208,343</b>	<b>\$ -</b>	<b>\$ 410,642,390</b>	<b>\$ 951,130</b>

(Continued)

- (1) Component units were audited by other auditors.  
(2) As of December 31, 2024

**SANTA CLARA COUNTY HOUSING AUTHORITY**  
(A Component Unit of the County of Santa Clara)  
Combining Statement of Net Position by Programs (Continued)  
June 30, 2025  
(With Comparative Totals as of June 30, 2024)

	Non-Federal Pooled Funds	HARA	Internal Service Programs	Resident Services	Supportive Housing Services	Blended Component Units (1)(2)	Elimination/ Reclassification	2025 Total	2024 Total
<b>Assets:</b>									
<b>Current assets:</b>									
Unrestricted cash and cash equivalents	\$ 1,837,402	\$ -	\$ 2,031,499	\$ -	\$ -	\$ 33,036,999	\$ -	\$ 92,956,742	\$ 94,003,573
Unrestricted short term investments	1,659,113	30,126,525	-	-	-	-	-	58,527,586	26,838,009
<b>Accounts receivable:</b>									
Tenants	-	-	-	-	-	196,087	-	197,441	255,458
HUD	-	-	-	-	-	-	-	24,987,015	117,510,877
Others	-	2,177	31,845	4,930	561	1,180,832	-	3,101,555	892,277
Interest receivable	8,931	65,927	-	-	-	-	-	269,548	105,154
Due from other programs	797,237	-	268,373	-	58,439	-	(8,075,004)	-	-
Due from component units and related parties	200,000	-	-	-	-	761,551	(156,226)	2,493,104	1,080,718
Prepaid expenses	-	200	440,276	16,626	986	617,420	(678,219)	1,898,294	1,611,857
Restricted cash and cash equivalents	-	178,361	6,641,250	-	-	19,612,014	-	68,464,000	31,500,538
Restricted cash in FSS escrow	-	-	-	-	-	-	-	4,936,025	3,801,539
Restricted short term investments	-	313,145	-	-	-	-	-	313,145	298,735
<b>Total current assets</b>	<b>4,502,683</b>	<b>30,686,335</b>	<b>9,413,243</b>	<b>21,556</b>	<b>59,986</b>	<b>55,404,903</b>	<b>(8,909,449)</b>	<b>258,144,455</b>	<b>277,898,735</b>
<b>Noncurrent assets:</b>									
Long term investments	-	16,625,709	-	-	-	-	-	40,478,540	46,687,475
Restricted long term investments	-	-	-	-	-	-	-	2,610,394	2,403,016
Long-term receivables from non-related parties	-	4,664,419	-	-	-	262,994	-	20,279,903	11,428,051
Long-term receivables from component units and related parties	1,271,051	-	-	-	-	29,608,193	(96,907,884)	244,813,495	206,140,329
Net pension asset	-	-	-	-	-	-	(206,576)	11,056,267	9,416,861
Equity interest in affiliated limited partnerships	-	-	-	-	-	4,206,273	-	4,206,273	4,765,139
Other assets	-	-	-	-	-	-	(597,715)	-	-
<b>Capital assets:</b>									
Nondepreciable	-	1,825,736	-	-	-	72,680,537	-	147,171,799	150,475,025
Depreciable, net	-	3,173,224	99,177	-	-	119,149,255	-	136,513,716	92,323,931
<b>Total capital assets</b>	<b>-</b>	<b>4,998,960</b>	<b>99,177</b>	<b>-</b>	<b>-</b>	<b>191,829,792</b>	<b>-</b>	<b>283,685,515</b>	<b>242,798,956</b>
<b>Total noncurrent assets</b>	<b>1,271,051</b>	<b>26,289,088</b>	<b>99,177</b>	<b>-</b>	<b>-</b>	<b>225,907,252</b>	<b>(97,712,175)</b>	<b>607,130,387</b>	<b>523,639,827</b>
<b>Total assets</b>	<b>5,773,734</b>	<b>56,975,423</b>	<b>9,512,420</b>	<b>21,556</b>	<b>59,986</b>	<b>281,312,155</b>	<b>(106,621,624)</b>	<b>865,274,842</b>	<b>801,538,562</b>
<b>Deferred outflows of resources:</b>									
Pension items	-	-	-	16,914	9,251	-	-	4,769,630	8,774,806
Other post employment benefits (OPEB) items	-	-	-	-	-	-	-	2,886,055	2,800,122
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,914</b>	<b>9,251</b>	<b>-</b>	<b>-</b>	<b>7,655,685</b>	<b>11,574,928</b>

**SANTA CLARA COUNTY HOUSING AUTHORITY**  
(A Component Unit of the County of Santa Clara)  
Combining Statement of Net Position by Programs (Continued)  
June 30, 2025  
(With Comparative Totals as of June 30, 2024)

	Non-Federal Pooled Funds	HARA	Internal Service Programs	Resident Services	Supportive Housing Services	Blended Component Units (1)(2)	Elimination/ Reclassification	2025 Total	2024 Total
<b>Liabilities:</b>									
<b>Current liabilities:</b>									
Accounts payable	-	857	723,257	8,644	4,377	2,568,622	-	5,864,614	4,528,182
Accrued wages and benefits	-	-	200,601	10,908	10,810	-	-	601,362	418,418
Accrued interest payable	-	-	-	-	-	816,939	-	1,541,653	1,640,590
Intergovernmental payable	-	-	-	-	-	-	-	79,655	103,698
Due to other programs	-	1,579,286	1,046,629	7,555	9,672	-	(8,075,004)	-	-
Due to component units and related parties	-	-	-	-	-	7,910,565	(6,704,334)	1,214,596	3,438,699
Other accrued liabilities	-	-	-	-	-	2,799	-	11,794	21,645
Tenant security deposits	-	-	-	-	-	1,180,024	-	1,190,424	937,163
Unearned revenue	-	1,706,161	-	-	-	227,327	(678,219)	2,727,494	2,726,147
Current portion of accrued vacation and sick leave	-	-	493,114	7,647	29,865	-	-	1,357,950	138,912
Current portion of FSS escrow	-	-	-	-	-	-	-	568,005	605,977
Current portion of long-term obligations	-	-	-	-	-	4,399,498	-	6,174,941	4,740,349
<b>Total current liabilities</b>	<b>-</b>	<b>3,286,304</b>	<b>2,463,601</b>	<b>34,754</b>	<b>54,724</b>	<b>17,105,774</b>	<b>(15,457,557)</b>	<b>21,332,488</b>	<b>19,299,780</b>
<b>Noncurrent liabilities:</b>									
FSS escrow	-	-	-	-	-	-	-	4,368,020	3,195,563
Accrued vacation and sick leave, net of current portion	-	-	349,640	3,716	14,513	-	-	975,583	1,877,323
Payable to component units and related parties, net of current portion	-	-	-	-	-	96,119,544	(90,359,776)	5,759,768	79,867
Other obligations, net of current portion	-	597,715	-	-	-	-	(597,715)	-	-
Long-term interest payable	-	-	-	-	-	8,588,084	-	8,588,084	7,889,301
Long-term obligations, net of current portion	-	-	-	-	-	96,933,259	-	97,783,217	97,081,133
Net pension liability	-	-	-	-	-	-	(206,576)	-	-
Net OPEB liability	-	-	-	-	-	-	-	2,403,094	1,052,911
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>597,715</b>	<b>349,640</b>	<b>3,716</b>	<b>14,513</b>	<b>201,640,887</b>	<b>(91,164,067)</b>	<b>119,877,766</b>	<b>111,176,098</b>
<b>Total liabilities</b>	<b>-</b>	<b>3,884,019</b>	<b>2,813,241</b>	<b>38,470</b>	<b>69,237</b>	<b>218,746,661</b>	<b>(106,621,624)</b>	<b>141,210,254</b>	<b>130,475,878</b>
<b>Deferred inflows of resources:</b>									
Pension items	-	-	-	-	-	-	-	1,401,755	188,424
OPEB items	-	-	-	-	-	-	-	2,415,293	1,810,858
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,817,048</b>	<b>1,999,282</b>
<b>Net position:</b>									
Net investment in capital assets	-	4,998,960	99,177	-	-	90,497,035	-	179,727,357	140,977,474
Restricted	-	491,506	6,641,250	-	-	18,431,990	(206,576)	79,976,933	41,282,051
Unrestricted	5,773,734	47,600,938	(41,248)	-	-	(46,363,531)	206,576	468,198,935	498,378,805
<b>Total net position</b>	<b>\$ 5,773,734</b>	<b>\$ 53,091,404</b>	<b>\$ 6,699,179</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 62,565,494</b>	<b>\$ -</b>	<b>\$ 727,903,225</b>	<b>\$ 680,638,330</b>

(1) Component units were audited by other auditors.  
(2) As of December 31, 2024

**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, 2025  
(With Comparative Totals for the Year Ended June 30, 2024)

	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	Real Estate Development	Asset Management
Operating revenues:										
Rental income	\$ 24,627	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 629,746	\$ -
Service fees	-	-	-	-	64,500	-	-	-	-	-
HUD housing assistance payments earned	-	-	-	-	65,007,010	-	423,637,130	1,674,697	-	-
HUD administrative fees	-	-	-	-	5,147,443	-	26,955,810	114,368	-	-
FSS coordinator fees	-	-	775,520	-	-	-	-	-	-	-
Operating subsidy	-	-	-	-	-	-	17,407	-	-	-
Developer fee	-	-	-	-	-	-	-	-	974,002	-
Asset management fee	-	-	-	-	-	-	-	-	647,070	-
Other operating revenues	500	-	-	85,034	-	-	16,140	30	604,004	67,527
Total operating revenues	25,127	-	775,520	85,034	70,218,953	-	450,626,487	1,789,095	2,854,822	67,527
Operating expenses:										
Wages and benefits	-	-	-	9,673,613	2,826,562	-	-	158,078	2,464,892	2,007,876
Pension and OPEB expense	-	-	-	7,172,422	-	-	-	-	625,770	379,456
Administrative	12,747	-	-	2,487,062	392,801	175	-	328	496,585	403,178
Tenant services	3,037	-	764,925	128,649	64,500	-	-	-	-	-
Utilities	4,307	-	-	-	-	-	-	-	92,170	6,189
Maintenance and operations	50,412	-	-	3,457	501	-	-	-	799,594	49,973
General	8,750	-	-	243,951	30,968	-	-	-	1,100,592	9,361
Indirect allocation	-	-	-	8,615,831	1,248,577	-	-	-	1,014,586	615,231
Depreciation and amortization	31,590	-	-	859,007	-	-	-	-	332,497	936
Housing assistance payments	-	-	-	411,180,281	66,628,270	-	1,972,400	1,674,697	-	-
Other	2,612	-	-	884,291	85,179	-	-	-	164,161	8,750
Total operating expenses	113,455	-	764,925	441,248,564	71,277,358	175	1,972,400	1,833,103	7,090,847	3,480,950
Operating income (loss)	(88,328)	-	10,595	(441,163,530)	(1,058,405)	(175)	448,654,087	(44,008)	(4,236,025)	(3,413,423)
Nonoperating revenues (expenses):										
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Investment income	-	1	-	188,696	76	2,814,985	430	-	5,270,268	9,757
Interest expense	-	-	-	(132,206)	-	-	-	-	-	-
Other nonoperating revenues	-	-	-	-	-	-	-	-	173,703	-
Total nonoperating revenues (expenses)	-	1	-	56,490	76	2,814,985	430	-	5,443,971	9,757
Income (loss) before transfers	(88,328)	1	10,595	(441,107,040)	(1,058,329)	2,814,810	448,654,517	(44,008)	1,207,946	(3,403,666)
Capital contributions - grants	-	-	-	-	-	-	33,497	-	-	-
Capital distributions	-	-	-	-	-	-	-	-	-	-
Transfers in	85,620	33,497	-	437,259,338	119,329	20	14,573	13,809	106,915,014	3,029,994
Transfers out	-	(33,497)	(10,595)	(142,881)	(124,776)	-	(552,927,136)	(10,909)	-	-
Change in net position	(2,708)	1	-	(3,990,583)	(1,063,776)	2,814,830	(104,224,549)	(41,108)	108,122,960	(373,672)
Net position, beginning of year, as previously reported	630,013	617,466	-	35,865,050	4,048,784	82,052,474	171,432,892	41,108	302,519,430	1,324,802
Change in reporting entity	-	-	-	-	-	-	-	-	-	-
Net position, beginning of year, as restated	630,013	617,466	-	35,865,050	4,048,784	82,052,474	171,432,892	41,108	302,519,430	1,324,802
Net position, end of year	\$ 627,305	\$ 617,467	\$ -	\$ 31,874,467	\$ 2,985,008	\$ 84,867,304	\$ 67,208,343	\$ -	\$ 410,642,390	\$ 951,130

(Continued)

- (1) Component units were audited by other auditors.  
(2) For the year ended December 31, 2024

**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, 2025  
(With Comparative Totals for the Year Ended June 30, 2024)

	Non-Federal Pooled Funds	HARA	Internal Service Programs	Resident Services	Supportive Housing Services	Blended Component Units (1)(2)	Elimination/ Reclassification	2025 Total	2024 Total
<b>Operating revenues:</b>									
Rental income	\$ -	\$ 971,792	\$ -	\$ -	\$ -	\$ 33,725,867	\$ (971,792)	\$ 34,380,240	\$ 23,293,498
Service fees	-	-	11,494,225	-	-	726,003	(11,494,225)	790,503	595,286
HUD housing assistance payments earned	-	-	-	-	-	-	-	490,318,837	539,832,714
HUD administrative fees	-	-	-	-	-	-	-	32,217,621	30,682,027
FSS coordinator fees	-	-	-	-	-	-	-	775,520	564,330
Operating subsidy	-	-	-	-	-	-	-	17,407	18,620
Developer fee	-	-	-	-	-	-	-	974,002	1,664,907
Asset management fee	-	-	-	-	-	235,461	-	882,531	827,156
Other operating revenues	-	43,313	1,344	-	-	3,578,665	-	4,396,557	1,568,359
<b>Total operating revenues</b>	<b>-</b>	<b>1,015,105</b>	<b>11,495,569</b>	<b>-</b>	<b>-</b>	<b>38,265,996</b>	<b>(12,466,017)</b>	<b>564,753,218</b>	<b>599,046,897</b>
<b>Operating expenses:</b>									
Wages and benefits	-	-	7,974,668	260,490	442,533	2,368,950	-	28,177,662	23,180,870
Pension and OPEB expense	-	-	-	-	-	-	-	8,177,648	5,977,465
Administrative	5	16,960	2,147,184	3,546	9,686	1,566,325	(971,792)	6,564,790	3,432,983
Tenant services	-	-	-	-	-	2,182,479	-	3,143,590	1,729,982
Utilities	-	-	227,305	-	-	3,070,770	-	3,400,741	2,446,989
Maintenance and operations	-	-	540,201	-	-	7,791,880	-	9,236,018	6,451,550
General	-	-	159,435	2,892	2,169	1,746,428	-	3,304,546	1,971,121
Indirect allocation	-	-	-	-	-	-	(11,494,225)	-	-
Depreciation and amortization	-	403,439	16,767	-	-	7,304,156	-	8,948,392	6,961,168
Housing assistance payments	-	-	-	-	-	-	-	481,455,648	463,759,957
Other	-	267,390	619,309	-	295	4,437,384	-	6,469,371	5,512,192
<b>Total operating expenses</b>	<b>5</b>	<b>687,789</b>	<b>11,684,869</b>	<b>266,928</b>	<b>454,683</b>	<b>30,468,372</b>	<b>(12,466,017)</b>	<b>558,878,406</b>	<b>521,424,277</b>
<b>Operating income (loss)</b>	<b>(5)</b>	<b>327,316</b>	<b>(189,300)</b>	<b>(266,928)</b>	<b>(454,683)</b>	<b>7,797,624</b>	<b>-</b>	<b>5,874,812</b>	<b>77,622,620</b>
<b>Nonoperating revenues (expenses):</b>									
Gain (loss) on disposal of capital assets	-	-	-	-	-	(81,057)	-	(81,057)	(6,176,087)
Investment income	96,374	2,500,643	-	-	-	1,137,031	-	12,018,261	9,763,138
Interest expense	-	-	-	-	-	(6,108,479)	-	(6,240,685)	(5,207,594)
Other nonoperating revenues	1,477,677	-	-	-	-	-	-	1,651,380	793,244
<b>Total nonoperating revenues (expenses)</b>	<b>1,574,051</b>	<b>2,500,643</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,052,505)</b>	<b>-</b>	<b>7,347,899</b>	<b>(827,299)</b>
<b>Income (loss) before transfers</b>	<b>1,574,046</b>	<b>2,827,959</b>	<b>(189,300)</b>	<b>(266,928)</b>	<b>(454,683)</b>	<b>2,745,119</b>	<b>-</b>	<b>13,222,711</b>	<b>76,795,321</b>
Capital contributions - grants	-	-	-	-	-	-	-	33,497	617,466
Capital distributions	-	-	-	-	-	(2,029,982)	-	(2,029,982)	(230,002)
Transfers in	-	-	6,828,040	266,928	454,683	-	(555,020,845)	-	-
Transfers out	-	(1,771,051)	-	-	-	-	555,020,845	-	-
<b>Change in net position</b>	<b>1,574,046</b>	<b>1,056,908</b>	<b>6,638,740</b>	<b>-</b>	<b>-</b>	<b>715,137</b>	<b>-</b>	<b>11,226,226</b>	<b>77,182,785</b>
Net position, beginning of year, as previously reported	4,199,688	52,034,496	60,439	-	-	25,811,688	-	680,638,330	603,454,007
Change in reporting entity	-	-	-	-	-	36,038,669	-	36,038,669	1,538
<b>Net position, beginning of year, as restated</b>	<b>4,199,688</b>	<b>52,034,496</b>	<b>60,439</b>	<b>-</b>	<b>-</b>	<b>61,850,357</b>	<b>-</b>	<b>716,676,999</b>	<b>603,455,545</b>
<b>Net position, end of year</b>	<b>\$ 5,773,734</b>	<b>\$ 53,091,404</b>	<b>\$ 6,699,179</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 62,565,494</b>	<b>\$ -</b>	<b>\$ 727,903,225</b>	<b>\$ 680,638,330</b>

- (1) Component units were audited by other auditors.  
(2) For the year ended December 31, 2024

**SANTA CLARA COUNTY HOUSING AUTHORITY**  
(A Component Unit of the County of Santa Clara)  
Combining Statement of Net Position - Blended Component Units  
December 31, 2024  
(With Comparative Totals as of December 31, 2023)

	AE Associates, Ltd. (1)	Avenida Espana HDC, Inc. (1)	Bascom HACSC Associates (1)	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)	Helzer Associates LP (1)	Julian Street Partners, L.P. (1)	Klamath Associates LP (1)	North First Gish Holding LLC (2)
<b>Assets:</b>													
<b>Current assets:</b>													
Unrestricted cash and cash equivalents	\$ 47,795	\$ 2,858,337	\$ 851,152	\$ 619,522	\$ 162,319	\$ 2,483,063	\$ 435,304	\$ 108,687	\$ -	\$ 1,455,266	\$ 3,853,453	\$ 33,682	\$ 1,356,111
<b>Accounts receivable:</b>													
Tenants	-	-	-	16,798	-	-	545	3,604	-	20,764	100,289	1	-
Others	41,827	105,408	1,118	57,154	-	-	3,368	10,022	-	2,000	62,674	2,963	885,978
Due from component units and related parties	-	316,511	-	-	34,830	40,000	-	-	-	-	-	-	-
Prepaid expenses	75,019	7,151	31,844	44,092	-	-	40,637	28,258	-	90,265	86,029	6,563	3,402
Restricted cash and cash equivalents	288,277	-	1,680,492	3,338,751	-	-	2,654,582	2,197,835	-	1,853,692	4,218,014	25,841	-
<b>Total current assets</b>	<b>452,918</b>	<b>3,287,407</b>	<b>2,564,606</b>	<b>4,076,317</b>	<b>197,149</b>	<b>2,523,063</b>	<b>3,134,436</b>	<b>2,348,406</b>	<b>-</b>	<b>3,421,987</b>	<b>8,320,459</b>	<b>69,050</b>	<b>2,245,491</b>
<b>Noncurrent assets:</b>													
Long-term receivables from non-related parties	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term receivables from component units and related parties	-	25,526	-	-	93,933	-	-	-	-	-	-	-	-
Equity interest in affiliated limited partnerships	-	6,298,077	-	-	(2,159,154)	(3,405,377)	-	-	-	-	-	-	-
<b>Capital assets:</b>													
Nondepreciable	572,324	-	4,049,218	5,870,629	-	-	3,818,724	2,612,715	-	2,690,280	123,584	717,242	-
Depreciable, net	1,611,527	-	7,113,672	2,007,078	-	-	7,702,763	5,747,173	-	10,661,438	49,943,769	965,330	-
<b>Total capital assets</b>	<b>2,183,851</b>	<b>-</b>	<b>11,162,890</b>	<b>7,877,707</b>	<b>-</b>	<b>-</b>	<b>11,521,487</b>	<b>8,359,888</b>	<b>-</b>	<b>13,351,718</b>	<b>50,067,353</b>	<b>1,682,572</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>2,183,851</b>	<b>6,323,603</b>	<b>11,162,890</b>	<b>7,877,707</b>	<b>(2,065,221)</b>	<b>(3,405,377)</b>	<b>11,521,487</b>	<b>8,359,888</b>	<b>-</b>	<b>13,351,718</b>	<b>50,067,353</b>	<b>1,682,572</b>	<b>-</b>
<b>Total assets</b>	<b>2,636,769</b>	<b>9,611,010</b>	<b>13,727,496</b>	<b>11,954,024</b>	<b>(1,868,072)</b>	<b>(882,314)</b>	<b>14,655,923</b>	<b>10,708,294</b>	<b>-</b>	<b>16,773,705</b>	<b>58,387,812</b>	<b>1,751,622</b>	<b>2,245,491</b>
<b>Liabilities:</b>													
<b>Current liabilities:</b>													
Accounts payable	106,371	11,800	59,862	128,361	10,600	15,600	100,715	94,638	-	193,123	324,402	23,646	385,970
Accrued interest payable	-	-	136,462	183,954	-	-	222,590	119,188	-	66,123	43,979	-	-
Due to component units and related parties	45,008	-	739,808	443,373	-	-	40,031	865	-	741,585	3,182,606	209	-
Other accrued liabilities	-	-	13	-	-	-	-	1,068	-	375	1,214	-	-
Tenant security deposits	47,620	-	109,392	150,963	-	-	96,987	77,682	-	192,334	207,975	14,106	-
Unearned revenue	2	-	5,136	19,818	-	-	49,612	2,210	-	13,643	65,502	72	-
Current portion of long-term obligations	1,022,860	-	145,000	345,000	-	-	275,512	155,000	-	385,000	1,545,000	52,845	-
<b>Total current liabilities</b>	<b>1,221,861</b>	<b>11,800</b>	<b>1,195,673</b>	<b>1,271,469</b>	<b>10,600</b>	<b>15,600</b>	<b>785,447</b>	<b>450,651</b>	<b>-</b>	<b>1,592,183</b>	<b>5,370,678</b>	<b>90,878</b>	<b>385,970</b>
<b>Noncurrent liabilities:</b>													
Payable to component units and related parties, net of current portion	32,625	12,330,000	6,802,072	8,254,327	-	-	-	130,095	-	7,630,759	11,912,005	570,405	1,999,323
Long-term interest payable	2,995,648	-	-	-	-	-	468,395	2,368,196	-	-	-	1,001,344	-
Long-term obligations, net of current portion	3,280,508	-	4,275,000	8,787,416	-	-	13,501,859	9,818,728	-	12,030,567	3,294,466	756,731	-
<b>Total noncurrent liabilities</b>	<b>6,308,781</b>	<b>12,330,000</b>	<b>11,077,072</b>	<b>17,041,743</b>	<b>-</b>	<b>-</b>	<b>13,970,254</b>	<b>12,317,019</b>	<b>-</b>	<b>19,661,326</b>	<b>15,206,471</b>	<b>2,328,480</b>	<b>1,999,323</b>
<b>Total liabilities</b>	<b>7,530,642</b>	<b>12,341,800</b>	<b>12,272,745</b>	<b>18,313,212</b>	<b>10,600</b>	<b>15,600</b>	<b>14,755,701</b>	<b>12,767,670</b>	<b>-</b>	<b>21,253,509</b>	<b>20,577,149</b>	<b>2,419,358</b>	<b>2,385,293</b>
<b>Net position:</b>													
Net investment in capital assets	(2,119,517)	-	6,742,890	(1,254,709)	-	-	(2,255,884)	(1,613,840)	-	936,151	45,227,887	872,996	-
Restricted	240,657	-	1,571,100	3,187,788	-	-	2,557,595	2,120,153	-	1,661,358	4,010,039	11,735	-
Unrestricted	(3,015,013)	(2,730,790)	(6,859,239)	(8,292,267)	(1,878,672)	(897,914)	(401,489)	(2,565,689)	-	(7,077,313)	(11,427,263)	(1,552,467)	(139,802)
<b>Total net position</b>	<b>\$ (4,893,873)</b>	<b>\$ (2,730,790)</b>	<b>\$ 1,454,751</b>	<b>\$ (6,359,188)</b>	<b>\$ (1,878,672)</b>	<b>\$ (897,914)</b>	<b>\$ (99,778)</b>	<b>\$ (2,059,376)</b>	<b>\$ -</b>	<b>\$ (4,479,804)</b>	<b>\$ 37,810,663</b>	<b>\$ (667,736)</b>	<b>\$ (139,802)</b>

(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, 2024  
(With Comparative Totals as of December 31, 2023)

	Pinmore HDC, Inc. (1)	Poco Way HDC, Inc. (1)	Rincon Gardens Associates, L.P. (1)	Rotary Plaza/ HACSC HDC, Inc. (1)	Sage Family Apartments LP (3)	San Pedro Gardens Associates, Ltd. (1)	S.P.G. Housing, Inc. (1)	Trillium Senior Apartments LP (3)	Villa Garcia Inc. (1)	Villa San Pedro HDC, Inc. (1)	Willows Resyncification LP (3)	Elimination/ Reclassification	2024 Total	2023 Total
<b>Assets:</b>														
<b>Current assets:</b>														
Unrestricted cash and cash equivalents	\$ 1,837,888	\$ 2,289,990	\$ 3,548,529	\$ 1,988,737	\$ 1,016,556	\$ 776,378	\$ 494,080	\$ 936,026	\$ 5,275,016	\$ 247,312	\$ 361,796	\$ -	\$ 33,036,999	\$ 41,072,638
<b>Accounts receivable:</b>														
Tenants	-	25,984	4,900	6,754	-	3,883	12,565	-	-	-	-	-	196,087	255,458
Others	-	-	4,002	3,521	-	-	797	-	-	-	-	-	1,180,832	559,731
Due from component units and related parties	388,588	147,703	-	20,000	-	-	30,000	-	135,430	-	-	(351,511)	761,551	1,030,684
Prepaid expenses	-	1,064	106,544	51,960	-	8,689	35,903	-	-	-	-	-	617,420	440,025
Restricted cash and cash equivalents	-	28,857	2,522,378	255,003	-	223,156	325,136	-	-	-	-	-	19,612,014	14,922,006
<b>Total current assets</b>	<b>2,226,476</b>	<b>2,493,598</b>	<b>6,186,353</b>	<b>2,325,975</b>	<b>1,016,556</b>	<b>1,012,106</b>	<b>898,481</b>	<b>936,026</b>	<b>5,410,446</b>	<b>247,312</b>	<b>361,796</b>	<b>(351,511)</b>	<b>55,404,903</b>	<b>58,280,542</b>
<b>Noncurrent assets:</b>														
Long-term receivables from non-related parties	-	262,994	-	-	-	-	-	-	-	-	-	-	262,994	262,994
Long-term receivables from component units and related parties	174,748	11,945,286	-	-	-	-	165,347	-	4,416,057	13,051,542	-	(264,246)	29,608,193	29,072,970
Equity interest in affiliated limited partnerships	(4,346,477)	-	-	5,810,759	-	-	1,808,668	-	(949,277)	1,149,054	-	-	4,206,273	4,765,139
<b>Capital assets:</b>														
Nondepreciable	-	49,515,083	-	9,012	1,153,750	315,478	-	496,850	-	-	735,648	-	72,680,537	72,884,115
Depreciable, net	-	514,849	26,352,053	2,390,583	-	476,263	3,662,757	-	-	-	-	-	119,149,255	73,840,987
<b>Total capital assets</b>	<b>-</b>	<b>50,029,932</b>	<b>26,352,053</b>	<b>2,399,595</b>	<b>1,153,750</b>	<b>791,741</b>	<b>3,662,757</b>	<b>496,850</b>	<b>-</b>	<b>-</b>	<b>735,648</b>	<b>-</b>	<b>191,829,792</b>	<b>146,725,102</b>
<b>Total noncurrent assets</b>	<b>(4,171,729)</b>	<b>62,238,212</b>	<b>26,352,053</b>	<b>8,210,354</b>	<b>1,153,750</b>	<b>791,741</b>	<b>5,636,772</b>	<b>496,850</b>	<b>3,466,780</b>	<b>14,200,596</b>	<b>735,648</b>	<b>(264,246)</b>	<b>225,907,252</b>	<b>180,826,205</b>
<b>Total assets</b>	<b>(1,945,253)</b>	<b>64,731,810</b>	<b>32,538,406</b>	<b>10,536,329</b>	<b>2,170,306</b>	<b>1,803,847</b>	<b>6,535,253</b>	<b>1,432,876</b>	<b>8,877,226</b>	<b>14,447,908</b>	<b>1,097,444</b>	<b>(615,757)</b>	<b>281,312,155</b>	<b>239,106,747</b>
<b>Liabilities:</b>														
<b>Current liabilities:</b>														
Accounts payable	13,000	702,217	144,453	90,349	404	31,976	87,460	405	15,199	10,000	18,071	-	2,568,622	2,241,148
Accrued interest payable	-	-	44,643	-	-	-	-	-	-	-	-	-	816,939	934,776
Due to component units and related parties	-	90,672	2,735,662	75,428	-	28,510	138,319	-	-	-	-	(351,511)	7,910,565	4,320,435
Other accrued liabilities	-	-	129	-	-	-	-	-	-	-	-	-	2,799	14,910
Tenant security deposits	-	28,680	80,300	84,087	-	8,505	81,393	-	-	-	-	-	1,180,024	926,763
Unearned revenue	-	1,612	6,543	26,710	-	-	36,467	-	-	-	-	-	227,327	68,250
Current portion of long-term debt	-	-	404,137	-	-	-	69,144	-	-	-	-	-	4,399,498	3,009,632
<b>Total current liabilities</b>	<b>13,000</b>	<b>823,181</b>	<b>3,415,867</b>	<b>276,574</b>	<b>404</b>	<b>68,991</b>	<b>412,783</b>	<b>405</b>	<b>15,199</b>	<b>10,000</b>	<b>18,071</b>	<b>(351,511)</b>	<b>17,105,774</b>	<b>11,515,914</b>
<b>Noncurrent liabilities:</b>														
Payable to component units and related parties, net of current portion	-	25,954,535	9,785,041	2,592,199	2,173,045	1,013,587	1,501,717	1,432,471	-	1,189,714	1,079,870	(264,246)	96,119,544	98,461,612
Long-term interest payable	-	548,219	-	123,090	-	1,083,192	-	-	-	-	-	-	8,588,084	7,889,301
Long-term obligations, net of current portion	-	29,000,000	9,148,013	90,753	-	1,489,500	1,459,718	-	-	-	-	-	96,933,259	95,428,232
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>55,502,754</b>	<b>18,933,054</b>	<b>2,806,042</b>	<b>2,173,045</b>	<b>3,586,279</b>	<b>2,961,435</b>	<b>1,432,471</b>	<b>-</b>	<b>1,189,714</b>	<b>1,079,870</b>	<b>(264,246)</b>	<b>201,640,887</b>	<b>201,779,145</b>
<b>Total liabilities</b>	<b>13,000</b>	<b>56,325,935</b>	<b>22,348,921</b>	<b>3,082,616</b>	<b>2,173,449</b>	<b>3,655,270</b>	<b>3,374,218</b>	<b>1,432,876</b>	<b>15,199</b>	<b>1,199,714</b>	<b>1,097,941</b>	<b>(615,757)</b>	<b>218,746,661</b>	<b>213,295,059</b>
<b>Net position:</b>														
Net investment in capital assets	-	21,029,932	16,799,903	2,308,842	1,153,750	(697,759)	2,133,895	496,850	-	-	735,648	-	90,497,035	48,287,238
Restricted	-	177	2,442,078	170,916	-	214,651	243,743	-	-	-	-	-	18,431,990	13,995,243
Unrestricted	(1,958,253)	(12,624,234)	(9,052,496)	4,973,955	(1,156,893)	(1,368,315)	783,397	(496,850)	8,862,027	13,248,194	(736,145)	-	(46,363,531)	(36,470,793)
<b>Total net position</b>	<b>\$ (1,958,253)</b>	<b>\$ 8,405,875</b>	<b>\$ 10,189,485</b>	<b>\$ 7,453,713</b>	<b>\$ (3,143)</b>	<b>\$ (1,851,423)</b>	<b>\$ 3,161,035</b>	<b>\$ -</b>	<b>\$ 8,862,027</b>	<b>\$ 13,248,194</b>	<b>\$ (497)</b>	<b>\$ -</b>	<b>\$ 62,565,494</b>	<b>\$ 25,811,688</b>

- (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, 2024  
(With Comparative Totals for the Year Ended December 31, 2023)

	AE Associates, Ltd. (1)	Avenida Espana HDC, Inc. (1)	Bascom HACSC Associates (1)	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)	Helzer Associates LP (1)	Julian Street Partners, L.P. (1)	Klamath Associates LP (1)	North First Gish Holding LLC (2)
<b>Operating revenues:</b>													
Rental income	\$ 866,766	\$ -	\$ 2,059,257	\$ 3,022,626	\$ -	\$ -	\$ 2,146,705	\$ 1,358,818	\$ -	\$ 3,855,567	\$ 9,811,127	\$ 359,737	\$ -
Service fees	-	263,790	-	-	30,000	30,000	-	-	-	-	-	-	-
Asset management fee	-	168,655	-	-	6,806	10,000	-	-	-	-	-	-	-
Other operating revenues	11,933	-	10,287	42,505	(334,808)	311,028	29,098	6,197	-	6,369	67,213	6,469	2,205,512
<b>Total operating revenues</b>	<b>878,699</b>	<b>432,445</b>	<b>2,069,544</b>	<b>3,065,131</b>	<b>(298,002)</b>	<b>351,028</b>	<b>2,175,803</b>	<b>1,365,015</b>	<b>-</b>	<b>3,861,936</b>	<b>9,878,340</b>	<b>366,206</b>	<b>2,205,512</b>
<b>Operating expenses:</b>													
Wages and benefits	128,153	-	130,906	199,760	-	-	146,281	148,517	-	249,809	526,413	46,130	-
Administrative	41,454	11,800	33,510	155,685	12,863	23,300	38,393	64,166	-	60,643	167,975	25,814	42,067
Tenant services	44,142	-	56,944	44,813	-	-	45,402	44,897	-	46,609	223,259	12,216	1,441,967
Utilities	170,032	-	170,508	302,098	-	-	185,465	162,681	-	315,809	664,144	50,598	-
Maintenance and operations	316,521	-	335,312	612,819	-	-	433,152	380,987	-	635,455	1,180,478	146,287	64,628
General	106,574	2,139	74,375	127,695	25	5,800	88,168	64,006	-	181,165	253,052	16,475	9,002
Depreciation and amortization	259,071	-	409,416	800,062	-	-	448,348	355,982	-	737,765	2,136,143	82,656	-
Other	80,684	366,686	143,725	186,722	-	10,000	155,199	118,460	-	228,601	672,463	35,188	763,985
<b>Total operating expenses</b>	<b>1,146,631</b>	<b>380,625</b>	<b>1,354,696</b>	<b>2,429,654</b>	<b>12,888</b>	<b>39,100</b>	<b>1,540,408</b>	<b>1,339,696</b>	<b>-</b>	<b>2,455,856</b>	<b>5,823,927</b>	<b>415,364</b>	<b>2,321,649</b>
<b>Operating income (loss)</b>	<b>(267,932)</b>	<b>51,820</b>	<b>714,848</b>	<b>635,477</b>	<b>(310,890)</b>	<b>311,928</b>	<b>635,395</b>	<b>25,319</b>	<b>-</b>	<b>1,406,080</b>	<b>4,054,413</b>	<b>(49,158)</b>	<b>(116,137)</b>
<b>Nonoperating revenues (expenses):</b>													
Loss on disposal of capital assets	(625)	-	-	-	-	-	(29,917)	-	-	-	(50,515)	-	-
Investment income	166	3,576	24,101	64,289	-	-	150,321	90,980	-	84,395	22,248	36	-
Interest expense	(98,732)	-	(426,427)	(723,443)	-	-	(591,699)	(402,479)	-	(971,085)	(1,004,656)	(61,275)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(99,191)</b>	<b>3,576</b>	<b>(402,326)</b>	<b>(659,154)</b>	<b>-</b>	<b>-</b>	<b>(471,295)</b>	<b>(311,499)</b>	<b>-</b>	<b>(886,690)</b>	<b>(1,032,923)</b>	<b>(61,239)</b>	<b>-</b>
<b>Income (loss) before capital contribution</b>	<b>(367,123)</b>	<b>55,396</b>	<b>312,522</b>	<b>(23,677)</b>	<b>(310,890)</b>	<b>311,928</b>	<b>164,100</b>	<b>(286,180)</b>	<b>-</b>	<b>519,390</b>	<b>3,021,490</b>	<b>(110,397)</b>	<b>(116,137)</b>
<b>Capital distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(212,749)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,248,663)</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>(367,123)</b>	<b>55,396</b>	<b>312,522</b>	<b>(23,677)</b>	<b>(310,890)</b>	<b>311,928</b>	<b>(48,649)</b>	<b>(286,180)</b>	<b>-</b>	<b>519,390</b>	<b>1,772,827</b>	<b>(110,397)</b>	<b>(116,137)</b>
<b>Net position, beginning of year, as previously reported</b>	<b>(4,526,750)</b>	<b>(2,786,186)</b>	<b>1,142,229</b>	<b>(6,335,511)</b>	<b>(1,567,782)</b>	<b>(1,209,842)</b>	<b>(51,129)</b>	<b>(1,773,196)</b>	<b>(833)</b>	<b>(4,999,194)</b>	<b>-</b>	<b>(557,339)</b>	<b>(23,665)</b>
<b>Change in reporting entity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>833</b>	<b>-</b>	<b>36,037,836</b>	<b>-</b>	<b>-</b>
<b>Net position, beginning of year, as restated</b>	<b>(4,526,750)</b>	<b>(2,786,186)</b>	<b>1,142,229</b>	<b>(6,335,511)</b>	<b>(1,567,782)</b>	<b>(1,209,842)</b>	<b>(51,129)</b>	<b>(1,773,196)</b>	<b>-</b>	<b>(4,999,194)</b>	<b>36,037,836</b>	<b>(557,339)</b>	<b>(23,665)</b>
<b>Net position, end of year</b>	<b>\$ (4,893,873)</b>	<b>\$ (2,730,790)</b>	<b>\$ 1,454,751</b>	<b>\$ (6,359,188)</b>	<b>\$ (1,878,672)</b>	<b>\$ (897,914)</b>	<b>\$ (99,778)</b>	<b>\$ (2,059,376)</b>	<b>\$ -</b>	<b>\$ (4,479,804)</b>	<b>\$ 37,810,663</b>	<b>\$ (667,736)</b>	<b>\$ (139,802)</b>

(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, 2024  
(With Comparative Totals for the Year Ended December 31, 2023)

	Pinmore HDC, Inc. (1)	Poco Way HDC, Inc. (1)	Rincon Gardens Associates, L.P. (1)	Rotary Plaza/ HACSC HDC, Inc. (1)	Sage Family Apartments LP (3)	San Pedro Gardens Associates, Ltd. (1)	S.P.G. Housing, Inc. (1)	Trillium Senior Apartments LP (3)	Villa Garcia Inc. (1)	Villa San Pedro HDC, Inc. (1)	Willows Resyncification LP (3)	Elimination/ Reclassification	2024 Total	2023 Total
<b>Operating revenues:</b>														
Rental income	\$ -	\$ 648,115	\$ 6,588,968	\$ 1,549,744	\$ -	\$ 347,622	\$ 1,110,815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,725,867	\$ 23,259,893
Service fees	378,587	-	-	-	-	-	7,500	-	-	16,126	-	-	726,003	329,409
Asset management fee	-	-	-	10,000	-	-	40,000	-	-	-	-	-	235,461	212,530
Other operating revenues	453,622	143,680	20,693	568,672	-	1,631	5,856	-	22,708	-	-	-	3,578,665	970,106
<b>Total operating revenues</b>	<b>832,209</b>	<b>791,795</b>	<b>6,609,661</b>	<b>2,128,416</b>	<b>-</b>	<b>349,253</b>	<b>1,164,171</b>	<b>-</b>	<b>22,708</b>	<b>16,126</b>	<b>-</b>	<b>-</b>	<b>38,265,996</b>	<b>24,771,938</b>
<b>Operating expenses:</b>														
Wages and benefits	-	190,779	278,753	147,465	-	49,086	126,898	-	-	-	-	-	2,368,950	1,793,725
Administrative	15,900	590,316	95,843	69,733	2,574	28,971	45,395	-	28,700	10,726	497	-	1,566,325	792,445
Tenant services	-	421	110,260	49,682	-	19,627	42,240	-	-	-	-	-	2,182,479	682,543
Utilities	-	208,616	484,142	214,689	-	3,593	138,395	-	-	-	-	-	3,070,770	2,139,322
Maintenance and operations	-	2,014,577	706,728	420,906	-	134,576	409,454	-	-	-	-	-	7,791,880	5,328,986
General	875	441,288	108,282	81,853	-	47,296	134,459	-	3,779	120	-	-	1,746,428	977,917
Depreciation and amortization	-	280,629	1,174,718	304,720	-	76,240	238,406	-	-	-	-	-	7,304,156	5,194,813
Other	-	246,510	582,251	122,063	-	25,594	64,366	-	634,833	54	-	-	4,437,384	2,765,402
<b>Total operating expenses</b>	<b>16,775</b>	<b>3,973,136</b>	<b>3,540,977</b>	<b>1,411,111</b>	<b>2,574</b>	<b>384,983</b>	<b>1,199,613</b>	<b>-</b>	<b>667,312</b>	<b>10,900</b>	<b>497</b>	<b>-</b>	<b>30,468,372</b>	<b>19,675,153</b>
<b>Operating income (loss)</b>	<b>815,434</b>	<b>(3,181,341)</b>	<b>3,068,684</b>	<b>717,305</b>	<b>(2,574)</b>	<b>(35,730)</b>	<b>(35,442)</b>	<b>-</b>	<b>(644,604)</b>	<b>5,226</b>	<b>(497)</b>	<b>-</b>	<b>7,797,624</b>	<b>5,096,785</b>
<b>Nonoperating revenues (expenses):</b>														
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	(81,057)	(299,473)
Investment income	-	281,438	905	1,120	-	514	(115,899)	-	112,722	416,119	-	-	1,137,031	1,262,386
Interest expense	-	(440,967)	(1,204,582)	(63,791)	-	(67,183)	(6,455)	-	-	(45,705)	-	-	(6,108,479)	(5,076,768)
<b>Total nonoperating revenues (expenses)</b>	<b>-</b>	<b>(159,529)</b>	<b>(1,203,677)</b>	<b>(62,671)</b>	<b>-</b>	<b>(66,669)</b>	<b>(122,354)</b>	<b>-</b>	<b>112,722</b>	<b>370,414</b>	<b>-</b>	<b>-</b>	<b>(5,052,505)</b>	<b>(4,113,855)</b>
<b>Income (loss) before capital contribution</b>	<b>815,434</b>	<b>(3,340,870)</b>	<b>1,865,007</b>	<b>654,634</b>	<b>(2,574)</b>	<b>(102,399)</b>	<b>(157,796)</b>	<b>-</b>	<b>(531,882)</b>	<b>375,640</b>	<b>(497)</b>	<b>-</b>	<b>2,745,119</b>	<b>982,930</b>
<b>Capital distributions</b>	<b>-</b>	<b>-</b>	<b>(568,570)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,029,982)</b>	<b>(230,002)</b>
<b>Change in net position</b>	<b>815,434</b>	<b>(3,340,870)</b>	<b>1,296,437</b>	<b>654,634</b>	<b>(2,574)</b>	<b>(102,399)</b>	<b>(157,796)</b>	<b>-</b>	<b>(531,882)</b>	<b>375,640</b>	<b>(497)</b>	<b>-</b>	<b>715,137</b>	<b>752,928</b>
<b>Net position, beginning of year, as previously reported</b>	<b>(2,773,687)</b>	<b>11,746,745</b>	<b>8,893,048</b>	<b>6,799,079</b>	<b>(569)</b>	<b>(1,749,024)</b>	<b>3,318,831</b>	<b>-</b>	<b>9,393,909</b>	<b>12,872,554</b>	<b>-</b>	<b>-</b>	<b>25,811,688</b>	<b>25,057,222</b>
<b>Change in reporting entity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,038,669</b>	<b>1,538</b>
<b>Net position, beginning of year, as restated</b>	<b>(2,773,687)</b>	<b>11,746,745</b>	<b>8,893,048</b>	<b>6,799,079</b>	<b>(569)</b>	<b>(1,749,024)</b>	<b>3,318,831</b>	<b>-</b>	<b>9,393,909</b>	<b>12,872,554</b>	<b>-</b>	<b>-</b>	<b>61,850,357</b>	<b>25,058,760</b>
<b>Net position, end of year</b>	<b>\$ (1,958,253)</b>	<b>\$ 8,405,875</b>	<b>\$ 10,189,485</b>	<b>\$ 7,453,713</b>	<b>\$ (3,143)</b>	<b>\$ (1,851,423)</b>	<b>\$ 3,161,035</b>	<b>\$ -</b>	<b>\$ 8,862,027</b>	<b>\$ 13,248,194</b>	<b>\$ (497)</b>	<b>\$ -</b>	<b>\$ 62,565,494</b>	<b>\$ 25,811,688</b>

- (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.

**This page left intentionally blank**