CalHFA

California Housing Finance Agency

Strategic Plan Update

Fiscal Years 2023-24 Q4 & 2024-25 Q1 update

Rebecca Franklin

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Director of Financing

FY 2023-24 Goal 1 - Exception Report

Lending Impact

Focus lending activities on broadening access to affordable housing opportunities for California's diverse population.

Measure	**Increase Multifamily dollar lending, unit production, and conduit issuer volume by 5% by 2026.**
Desired Outcome	4,732 or more units in FY 2023-24.
Challenges	The FYE Multifamily lending production was 3,904 units in FY 2023-24, approximately 828 units less than the desired outcome. The lower unit count is attributed to the following: 1) The hoped-for recycled bond deals were not secured in Q3 or Q4. 2) Three conduit-only deals withdrew from the CalHFA pipeline. 3) Three conduit-only projects experienced delays and did not close during FY 23-24 as expected.

Mitigation Activity	Owner(s)	Completion Date
Evaluate goal-setting methodology for FY 24-25 to set more realistic expectations. CalHFA is always evaluating methods to increase flexibility with loan programs and will be attending more conferences and events to market the versatility of our existing programs. Additionally, CalHFA is pursuing more MOU's with localities to increase utilization of the Recycled Bonds Program.	Rebecca Franklin	Ongoing

FY 2023–24 Strategic Plan Status Update – Q4

Overall Objectives Performance Status

12 Strategic Objectives

83%

10 - On-Target

17%

2 – At-Risk

0%

0 – Off-Target

FY 2023-24 Goal 1 - Exception Report

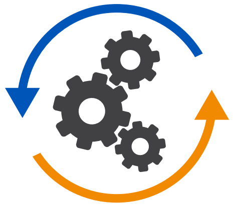
Lending Impact

Focus lending activities on broadening access to affordable housing opportunities for California's diverse population.

Objective	**Build the Multifamily portfolio through preservation of existing projects and expansion of new lending and subsidy opportunities.**
Initiative	Maximize deployment of recycled bonds to increase the production of affordable multifamily housing in California.
Desired Outcome	Continue to exceed annual goals for deployment of recycled bonds.
Challenges	FYE Recycled bonds production was 46% of goal for FY 2023-24. Tax-exempt recycled bonds are heavily marketed to all CalHFA applicants, but as tax-exempt bonds awarded by CDLAC have become less competitive, the demand for this resource has waned.

Mitigation Activity	Owner(s)	Completion Date
Financing will interface with broker-dealers to reassess current term sheet requirements.	Erwin Tam	Ongoing
CalHFA is also pursuing additional MOUs with localities to increase program utilization and marketing the program at events and conferences.	Rebecca Franklin	Ongoing

FY 2023-24 Goal 4 - Exception Report



Operational Excellence

Invest in continuous improvement and cultivate an inclusive and highly qualified workforce.

Objective	**Innovate and streamline business processes to increase operational efficiency and service delivery.**
Initiative	Develop enterprise data governance and reporting.
Desired Outcome	Processes and organization in place to manage evolution of standards for agency documents, data and KPI reports.
Challenges	Lack of internal expertise specific to establishing data governance may impact the underlying quality and overall usefulness of data and KPI reporting.

Mitigation Activity	Owner(s)	Completion Date
Participation in a pilot project with CalData Office of Data Innovation that will assist with establishing robust data governance, security, and operations practices, and provide a firm foundation for further data analytics initiatives.	Kelly Madsen	9/30/2024

FY 2023–24 Strategic Plan Status Update – Q4

Highlights

CalHFA Executive Director Tiena Johnson Hall was selected in June as one of 20 national housing leaders to serve on the Federal Housing Finance Agency's inaugural Advisory Committee on Affordable, Equitable and Sustainable Housing.

CalHFA in June issued California Dream For All shared appreciation loan program vouchers for 1,700 first-generation homebuyers are now shopping for homes. The vouchers were selected at random with consideration of geographic equity from approximately 18,000 applicants.

In May, CalHFA for the sixth consecutive year earned Government Finance Officers Association recognition for excellence in financial reporting in its most recent Annual Comprehensive Financial Report and Popular Annual Financial Report (covering Fiscal Year 2021-22).

FY 2024–25 Strategic Plan Strategic Measures - Goal 1

Lending Impact

Focus lending activities on broadening access to affordable housing opportunities for California's diverse population.

STRATEGIC MEASURES	TOLERANCES	Q1	Q2	Q3	Q4
Increase Single Family first mortgage dollar lending volume and number of loans 5% by 2026.	**Volume** ≥ \$1.550B \$1.52B - \$1.549B ≤ \$1.51B				
	Loan Counts ≥ 3,971 loans 3,890 – 3,970 loans ≤ 3,889 loans				
Increase Multifamily dollar lending volume, unit production, and conduit issuer volume 5% by 2026.	**Conduit Issuer Volume** ≥ \$1.194B \$1.170B – \$1.193B ≤ \$1.169B				
	Volume ≥ \$526M \$515M – \$525M ≤ \$514M				
	Units ≥ 4,809 units 4,710 – 4,808 units ≤ 4,709 units				

FY 2024–25 Strategic Plan Strategic Measures - Goal 2

Financial Sustainability

Leverage opportunities and create innovative products that ensure CalHFA's financial sustainability and continued ability to serve the affordable housing market.

STRATEGIC MEASURES	TOLERANCES	Q1	Q2	Q3	Q4
Maintain risk-adjusted rate of return on restricted assets.	≥ 5.3% 4.5% – 5.2% ≤ 4.4%				
Identify and implement new revenue generating strategies.	Yes No None Planned				
Grow the Agency's balance sheet, increasing total assets by 5% by 2026.	≥ \$2.75B \$2.70B - \$2.74B ≤ \$2.69B				
Maintain financial liquidity with a minimum of 20% of net assets as short-term investments	Yes No				

FY 2024–25 Strategic Plan Strategic Measures - Goal 3

Trusted Advisor

Affirm CalHFA as a trusted housing finance advisor that understands the needs of California's diverse communities.

STRATEGIC MEASURES	TOLERANCES	Q1	Q2	Q3	Q4
Increase public presence and publications 10% by 2026.	≥ 67 appearances 58 – 66 appearances ≤ 57 appearances				
Partner, fund, and/or participate in housing finance data analytics reports.	Yes No None Planned				
Receive industry recognition and/or awards for CalHFA specific programs.	2 awards 1 award 0 award	Completed			

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FY 2024–25 Strategic Plan Strategic Measures - Goal 4

Operational Excellence

Invest in continuous improvement and cultivate an inclusive and highly qualified workforce.

STRATEGIC MEASURES	TOLERANCES	Q1	Q2	Q3	Q4
Implement informed decision-making tools and processes.	■ Training in place and tools being used ■ Tools being used for <25% of processes ■ No training in place				
Increase Great Place to Work certification score 5% by 2026.	■ ≥ 71% ■ 70% ■ ≤ 69%				
Fill 80% of all key positions.	■ ≥ 80% ■ 75% – 79% ■ ≤ 74%				

Overall Objectives Performance Status

12 Strategic Objectives

100%

12 - On-Target

0%

0 – At-Risk

0%

0 – Off-Target

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FY 2024–25 Strategic Plan Status Update – Q1

Highlights

CalHFA's Dream For All Shared Appreciation Loan Program (Phase 1) in September won a 2024 NCSHA award in the Homeownership: Empowering New Homebuyers category. CalHFA made $300 million available and received enough reservations to exhaust those funds in just 11 days, eventually helping nearly 2,200 Californians buy their first home.

As of the end of September CalHFA's California Mortgage Relief Program has disbursed all available grant funds, using more than $907 million in federal Homeowner Assistance Funds to provide 37,303 grants to homeowners.

It was announced in September that Buena Esperanza, a 69-unit affordable housing development in Anaheim that was financed in part through CalHFA's Special Needs Housing Program (SNHP), received a Charles L Edson Tax Credit Excellence Award in the Housing for Veterans of the Armed Forces category on Tuesday.

FY 2024–25 Strategic Plan Status Update – Q1

Single Family Production Update

Assisted **1,725** homebuyers

$13.5M Revenue generated

$802M Lending volume activity

Multifamily Production Update

Assisted **606** affordable housing units

$1.08M Revenue generated

$334.6M Lending volume activity

Operating Expenditures

Operating Revenue	Operating Expenses	Net Operating Revenue	12 Months Projections
$24.38M	**$9.35M**	**$15.03M**	Revenues $80.94M Expenses ($39.09M) **Net $41.85M**

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FY 2023–24 Strategic Plan Status Update – Q4

Operating Revenue	Actuals	Budget	Variance
Single Family Lending			
Lending Fees	$26,874	$18,799	$8,075
Loan Servicing	525	485	$40
Interest	7,371	6,970	$401
Administration Fees	7,728	3,910	$3,818
Sub-Total Single Family	*$42,498*	*$30,164*	*$12,334*
Multifamily Lending			
Lending Fees	$6,003	$9,169	($3,166)
Loan Servicing	1,486	1,309	$177
Interest	15,481	12,802	$2,679
Administration Fees	6,802	3,814	$2,988
Sub-Total Multifamily	*$29,772*	*$27,094*	*$2,678*
Total Operating Revenue	**$72,270**	**$57,258**	**$15,012**
Operating Expenditures			
Salaries and Benefits	$27,614	$30,691	($3,077)
Consulting & Professional Services	2,605	4,358	(1,753)
General Expense	437	722	(285)
Communications	298	480	(182)
Travel	322	528	(206)
Training	146	251	(105)
Facilities Operation	2,530	2,609	(79)
Central Administrative Services	1,977	2,007	(30)
Information Technology	1,766	1,799	(33)
Equipment	112	366	(254)
Total Operating Expenses	*$37,807*	*$43,811*	*($6,004)*
Net Operating Revenue	**$34,464**	**$13,447**	**$21,016**

FY 2024–25 Operating Expenditures Update – Q1

Operating Revenue	3 Months ending September 30, 2024			12 Months ending June 30, 2024		
	Actual	Budget	Variance	Projection	Budget	Variance
Single Family Lending						
Lending Fees	$11,989	$4,375	$7,614	$27,669	$17,500	$10,169
Loan Servicing	127	90	$37	265	360	($95)
Interest	2,256	1,525	$731	7,114	6,098	$1,016
Admin Fees	2,822	3,375	($553)	12,612	13,500	($888)
Sub-Total Single Family	$17,192	$9,365	$7,828	$47,660	$37,458	$10,202
Multifamily Lending						
Lending Fees	$1,409	$2,086	($677)	$9,554	$8,344	$1,210
Loan Servicing	363	365	($1)	1,457	1,458	($1)
Interest	3,873	3,133	$740	16,340	12,531	$3,809
Admin Fees	1,547	1,366	$181	5,928	5,465	$463
Sub-Total Multifamily	$7,193	$6,950	$244	$33,278	$27,798	$5,480
Total Operating Revenue	**$24,386**	**$16,314**	**$8,072**	**$80,938**	**$65,256**	**$15,682**
Operating Expenditures						
Salaries and Benefits	$6,718	$7,808	($1,091)	$27,798	$31,234	($3,435)
Consulting & Professional Services	533	1,228	(695)	2,857	4,911	(2,054)
General Expense	165	194	(30)	483	778	(295)
Communications	26	106	(80)	253	422	(169)
Travel	55	97	(42)	297	390	(93)
Training	17	67	(49)	127	267	(140)
Facilities Operation	644	780	(136)	2,526	3,122	(596)
Central Administrative Services	626	582	43	2,372	2,329	43
Information Technology	455	601	(146)	2,153	2,406	(252)
Equipment	75	111	(36)	224	445	(221)
Total	$9,313	$11,576	($2,262)	$39,090	$46,302	($7,212)
Net Operating Revenue	**$15,072**	**$4,738**	**$10,334**	**$41,848**	**$18,954**	**$22,894**

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Questions