

DRAFT - CalHFA Strategic Business Plan FY 2014-2015

	Key Strategy		Action Items	Due Dates	Team Leader	<u>Policy Considerations</u>
1	Increase stability of capital structure and liquidity position.	A	Reduce VRDO (variable rate bonds supported by US Treasury letter of credit) balance by \$450Mn.	2/1/2015	Tim	
		B	Reduce swap notional balance by \$200Mn.	2/1/2015	Tim	
2	Reduce balance sheet risk by increasing loss mitigation efforts in the single family portfolio.	A	Aggressively apply: i) CalHFA collections strategies; ii) CalHFA Loss Mitigation options to newly acquired Bank of America serviced loans	ongoing	Nick	
		B	Prepare a list of actionable recommendations for each servicer defining CalHFA's loss mitigation options. Audit to ensure a high level of participation.	ongoing	Nick	
		C	Refine loss mitigation process and identify ways to streamline the process.	4/1/2014	Nick	
		D	Develop a unified servicer administration system to ensure compliance and timely reporting.	10/1/2014	Nick	
		E	Update CalHFA Servicer Guide.	12/31/2014	Nick	
		F	Aggressive mining CalHFA's loan portfolio to increase participation in KYHC's PRP (Principal Reduction Program).	3/10/2014	Nick	
		G	Allow outside servicers to use the FHA HAMP Loan Modification Programs (to lower rates and/or extend terms).	3/7/2014	Nick	
3	Generate income via multifamily lending opportunities.	A	Pursue preservation and recapitalization of portfolio and non-portfolio projects. Target \$140Mn by the end of FY2014-15	ongoing	Jim	Preservation of affordable housing stock
			i) Seeking approval to implement 35/17 HUD Risk Share program, targeting experienced tax-credit developers.	7/1/2014	Jim	Preservation of affordable housing stock
			ii) Implement HUD Risk Share permanent loan program	7/1/2014	Jim	Preservation of affordable housing stock
			iii) Determine next phase of the MHSA (Mental Health Services Act) Program.	5/1/2014	Jim	Permanent Supportive Rental Housing for the mentally ill who are homeless or at risk of homelessness

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			iv) Consider HUD Risk Share Construction loan program	7/1/2015	Jim	Development and construction of new affordable multifamily units
			v) Apply to HUD's national office in DC to become a MAP (Multifamily Accelerated Processing) Lender.	9/1/2014	Jim	Expand loan product portfolio
			vi) Collaborate with HCD and CalVets to expand multifamily housing opportunities for veterans (AB 639 / Proposition 41).	1/15/2015	Jim	Permanent Supportive Housing for veterans
		B	Determine the next phase of the MF conduit issuer program.	4/1/2014	Jim	
		C	Create a multiyear plan to identify the use of the Earned Surplus Funds, RHCP (Rental Housing Construction Program) Funds and FAF (Financial Adjustment Factor) Savings Funds. Goal: multifamily lending/asset management usage waterfall.	Ongoing	Rick/Jim/Chris	Coordinate our plan with the State of CA's Statewide Housing Plan
4	Generate income via multifamily asset management opportunities.	A	Identify and evaluate possible multifamily housing needs related to the closure of redevelopment agencies.	12/31/2014	Chris	Preservation of affordable housing stock
		B	Administer HCD's Tenant Based Rental Assistance (TBRA) for a two year period on a select number of multifamily projects.	7/1/2014	Chris	Alignment of State Resources
		C	Awaiting final award of HUD's statewide Performance Based Contract Administration (PBCA). Pending litigation outcome.	ongoing	Chris	Servicing Federal Program
		D	Administer the HUD 811 Subsidy Program in collaboration with HCD, DHCS (Dept of Healthcare Services) and TCAC (Tax Credit Allocation Committee). Five year demonstration program focused on transitioning non-elderly disabled persons form nursing facilities to multifamily developments.	5/1/2014	Chris	Servicing Federal Program
5	Generate income via single-family lending opportunities.	A	Introduce Conventional mortgage products	5/15/2014	Ken	Provide qualified borrowers additional savings realized by owning vs renting
		B	Introduce EEM (energy efficient mortgage) products	5/15/2014	Ken	Reduce greenhouse emissions

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	<p>C Offer CalHFA mortgage products to non-first time homebuyers</p>	7/1/2014	Ken	Provides homeowners the opportunity to improve family housing and take advantage of energy efficient opportunities
	<p>D Develop CA Vets and USDA mortgage products</p>	8/1/2014	Ken	Expand homeownership opportunities to Vets and rural area borrowers
	<p>E Develop a strategy for funding DPA (down payment assistance) when CHDAP (CA G-O funded DPAs) funding is depleted</p>	9/14 to 7/15	Ken	Assist low to moderate income borrowers with overcoming their #1 hurdle to buying their first home.
	<p>F Develop framework for switching back to a bond funded mortgages</p>	1/1/2015	Ken	Provide 1st time homebuyers with a lower interest rates; and rebuild the Agency's balance sheet
	<p>G Single-family lending interface with project team for converting CalHFA to a Master Servicer</p>	7/1/14-3/1/15	Ken	Share cost savings with CalHFA borrowers; Expand loan product portfolio
	<p>H Develop product/program for using the \$9M in recycled HPA (Home Purchase Assistance) funds</p>	7/14 to 10/14	Ken	Provide a targeted population with additional DPA

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6	Generate income via single-family loan servicing opportunities.	A	Prepare the requisite servicing platform (staffing, systems, organizational support) to be ready to receive additional servicing rights from underperforming CalHFA servicers	ongoing	Rhonda	
		B	Determine if the requisite platform (staffing, systems, organizational support) needed to become a Master Servicer can be built and sustained over the long-haul	12/31/2014	Tim/Ken	
7	Reorganize and increase operational efficiencies and infrastructure to better position the Agency for future business opportunities.	A	Train managers and supervisors to effect succession planning	5/1/2014	Jackie	
		B	Develop best practices for talent management and strategic hiring	ongoing	Jackie	
		C	Develop a master plan for a flexible workforce (internal CalHFA and possibly in relation to HCD)	ongoing	Jackie	
		D	Establish workload standards to control expenses and support the budget process	5/1/2014	Jackie	
		E	All divisions shall assess work flow to increase organizational efficiency with emphasis on cost containment.	5/1/2014	Jackie	
8	Develop long-term strategies to monitor and mitigate enterprise risks.	A	Review: i) Quality Assurance; ii) Risk Management; iii) Internal Controls/Compliance and develop a robust plan to address each topic	10/1/2014	Tony	
		B	Develop the charter and scope of the enterprise risk management effort. Determine the structure (personnel) and procedures.	10/1/2014	Tony	
9	Agency-wide IT integration of data collection, flow and reporting	A	Determine divisional data requirements	8/31/2014	Liane	
		B	Prioritize needs and define deliverables and scope	10/31/2014	Liane	
		C	Ensure existing and future data is accessible from a common platform and compliant with the already adopted Enterprise Architecture	1/31/2015	Liane	
		D	Design the Data Warehouse and Database	6/30/2015	Liane	
		E	Extract / Cleanse / Transform / Verify Data in the Data Warehouse	9/30/2015	Liane	
		F	Create user interface and reporting systems	6/30/2016	Liane	

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10	Maximize use of KYHC program funds.	A	Collaborate with other public and private sector entities to maximize and leverage potential benefits of foreclosure prevention resources.	Ongoing	Di	
		B	Measure program outcomes and assess barriers to eligibility.	Ongoing	Di	
		C	Submit program changes as needed to US Treasury to facilitate increased eligibility.	Ongoing	Di	
		D	Aggressively market programs to eligible homeowners, community groups and media to expand awareness.	Ongoing	Di	
		E	Aggressively pursue and on-board additional servicers.	Ongoing	Di	
		F	Monitor program recipients to assess level of homeownership sustainability facilitated by program assistance.	Ongoing	Di	
11	Collaboration with HCD on "live" projects (not included in above SF or MF sections)	A	Assess and enhance the social impact of affordable housing (e.g. educational and health outcomes).	Ongoing	Rick	Smart growth; preservation; healthy community; education
		B	Explore opportunities to finance manufactured housing.	7/1/2015	Tony	Coordinate our plan with the State of CA's Statewide Housing Plan
		C	Provide support to HCD servicing of single-family loans (1st liens and subordinates)	Ongoing	Rhonda	
		D	Streamline multifamily asset management functions and responsibilities	Ongoing	Rick	preservation of affordable housing stock; alignment of state resources
		E	GRP (Governor's Reorganization Plan) follow-up	Ongoing	Claudia	Enhance operational efficiencies and provide unified statewide housing policies and solutions
		F	Finalize affordable housing cost study.	7/1/2014	Claudia	

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12	Coordinate HCD and CalHFA functions to meet California's affordable housing needs.	A	Finalize executive organizational chart with roles clearly communicated.	Ongoing	Claudia	Enhance operational efficiencies and provide unified statewide housing policies and solutions
		B	Review organizational set up, staff functions and capabilities, funding sources to facilitate ongoing collaboration.	Ongoing	Claudia	Enhance operational efficiencies
		C	Provide technical assistance to legislature and others regarding dedicated sources for affordable housing.	Ongoing	Claudia	Elevate affordable housing presence in state policy and integrate with other initiatives