

RESOLUTION 16-10
AGENCY BUSINESS PLAN
FISCAL YEAR 2016/2017

WHEREAS, pursuant to the Zenovich-Moscone-Chacon Housing and Home Finance Act (“Act”), the California Housing Finance Agency (“Agency”) has the authority to engage in activities to reduce the cost of mortgage financing for home purchase and rental housing development, including the issuance of bonds and the insuring of mortgage loans;

WHEREAS, the Agency’s statutory objectives include, among others, increasing the range of housing choices for California residents, meeting the housing needs of persons and families of low or moderate income, maximizing the impact of financing activities on employment and local economic activity, and implementing the objectives of the California Statewide Housing Plan;

WHEREAS, while the improving California economy and real estate markets continue to present opportunity for the Agency, financial challenges remain within changing credit and capital markets;

WHEREAS, the Agency must responsibly manage real estate related risk and liquidity for operating expenses and financial obligations;

WHEREAS, the Agency has presented to the Board of Directors a Business Plan, for fiscal year 2016/17, with its goals, key strategies and action items designed to assist the Agency meet its financial obligations, its statutory objectives, support the housing needs of the people of California and to provide the Agency with the necessary road map to continue its reemergence as a leading affordable housing lender providing bond financing and mortgage financing well into the future;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Agency as follows:

1. The 2016/17 Business Plan, as presented by the written presentation attached hereto and made a part hereof, and any additional presentations made at the meeting, is hereby fully endorsed and adopted.
2. In implementing the Business Plan, the Agency shall strive to satisfy all the capital adequacy, liquidity reserve, credit and other reserve and any other requirements necessary to maintain the Agency’s general obligation credit ratings and the current credit ratings on its debt obligations, to comply with the requirements of the Agency’s providers of credit enhancement, liquidity, and interest rate swaps and to satisfy any other requirements of the Agency’s bond and insurance programs.
3. The updated Business Plan is necessarily based on various economic, fiscal and legal assumptions. Therefore, for the Agency to respond to changing circumstances, and subject to the provisions of Resolution 11-06, the Executive Director shall have the authority to adjust the Agency’s day-to-day activities to reflect actual economic, fiscal and legal circumstances to attain goals and objectives consistent with the intent of the updated Business Plan.

SECRETARY'S CERTIFICATE

I, Victor J. James, II, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 16-10 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 17th day of May 2016, of which meeting all said directors had due notice; and that at said meeting said resolution was adopted by the following vote:

AYES: AVILA FARIAS, SCHAEFER (for Chiang), GALLAGHER, IMBASCIANI, GUNNING, HUNTER, METCALF, WILLIAMS (for Podesta), SOTELO, RUSSELL, FALK

NOES: NONE

ABSTENTIONS: NONE

ABSENT: JOHNSON-HALL, PRINCE

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the Board of Directors of the California Housing Finance Agency hereto this 17th day of May 2016.

[SEAL]



VICTOR J. JAMES, II
Secretary of the Board of Directors of the
California Housing Finance Agency

Attachment

CalHFA Strategic Business Plan FY2016-17

Mission: *To create and finance progressive housing solutions so more Californians have a place to call home.*

BUSINESS PLAN GOALS	KEY STRATEGIES	ACTION ITEMS	Due Dates
Increase the Agency's future income and equity position by expanding single family and multifamily lending activities consistent with State housing needs	1 Generate income via single-family lending opportunities	A Generate \$28.1 million in revenue through \$1.06 billion of loan production	6/30/2017
		B Diversify single-family business partners and lending programs	6/30/2017
		C Issue 2,600 Mortgage Credit Certificates to first-time homebuyers	6/30/2017
	2 Generate income via multifamily lending opportunities	A Generate \$10.3 million in revenue through \$190 million of loan production and \$300 million of conduit bond issuance	6/30/2017
		B Proceed with Special Needs Housing Program (SNHP) development and continue to monitor "No Place Like Home" proposal	6/30/2017
		C Create multifamily lending programs that serve unmet needs in the California multifamily development market	6/30/2017
	3 Strengthen Agency financial position by expanding credit facilities and maximizing return on equity.	A Implement strategies to increase return on equity and develop long-term revenue streams using single-family MBS	6/30/2017
		B Develop working capital options for a single family and multifamily warehouse line	12/31/2016
	Continue to improve operational efficiencies through the use of technology, workforce planning and the implementation of best practices	4 Increase Operational Efficiencies	A Continue to refine Agency's operational budget through administrative savings
B Implement improved strategies/process to recruit, train, and retain staff			6/30/2017
C Better utilize information technology resources to streamline workflow			6/30/2017
5 Implement long-term strategies to monitor and mitigate enterprise risks		A Explore establishment of an Enterprise Risk Management Department to identify Agency business risks, reduce waste and strengthen internal controls	6/30/2017
		B Maintain controls over IT data and tools to ensure data security and business continuity	6/30/2017
6 Agency-wide IT integration of data collection, flow and reporting		A Continuously refine IT work plan to ensure that IT priorities align with business plan goals	6/30/2017
	B Assess current data system infrastructure and streamline/consolidate where appropriate	6/30/2017	
Collaborate with other housing entities to deliver effective and efficient housing solutions	7 Increase opportunities to meet California's affordable housing needs	A Provide technical assistance to legislature and other interested parties regarding affordable housing	Ongoing
		B Collaborate with other State and local agencies to provide efficient financing of affordable housing	Ongoing
		C Support federal housing partners in the development and expansion of programs that help finance affordable housing in California	Ongoing

CalHFA Strategic Business Plan FY2016-17

Mission: *To create and finance progressive housing solutions so more Californians have a place to call home.*

BUSINESS PLAN GOALS	KEY STRATEGIES	ACTION ITEMS	<u>Due Dates</u>
Help prevent avoidable foreclosures by providing assistance to eligible homeowners who have financial hardship and/or significant negative equity	8 Maximize use of KYHC program funds	A Aggressively market programs to eligible homeowners, community groups and media to expand awareness	Ongoing
		B Measure program outcomes and assess barriers to eligibility	Ongoing
		C Monitor program recipients to assess level of homeownership sustainability facilitated by program assistance	Ongoing