



# Update on FY 2023-24 Operating Budget

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Erwin Tam  
Director of Financing

- CalHFA's policy is to be fiscally self-sufficient with its operations
- A change in accounting practices allows for projections to be made based on 5-month unaudited actuals for this mid-year update on the operating budget
- 2Q24 Strategic Plan update in February will include production goals and metrics



## Year-to-Date Financial Performance and Projected Year End Totals

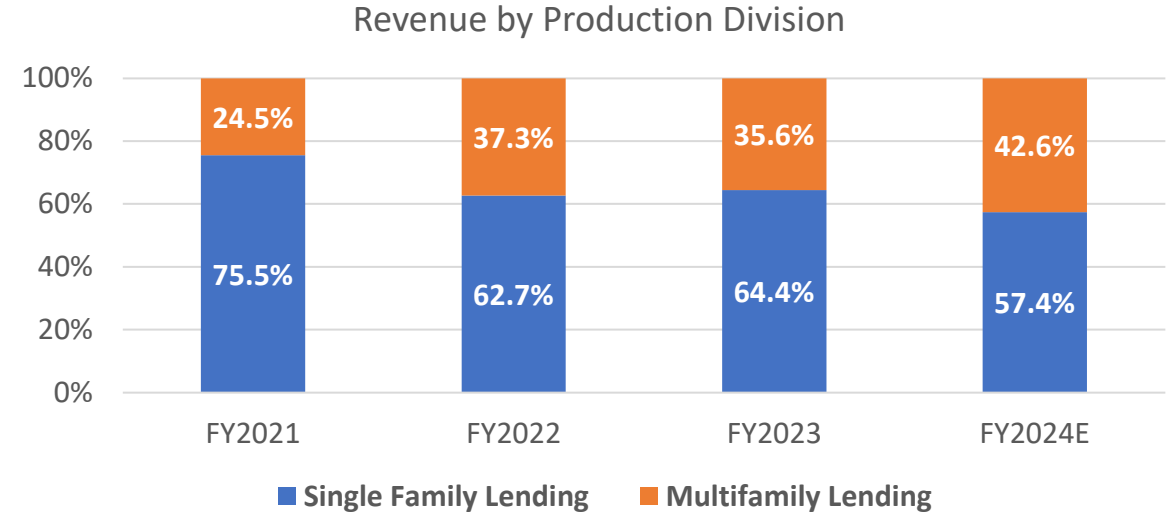
- Unaudited actuals for single family programs have exceeded budget due mainly to securitizations from DFA Phase I
- Full year revenue projections are above budget for both production divisions
- Full year operating expenditures are projected to be less than budget, with net operating revenue at \$36.8 million

	5 months ending 11/30/23			12 months ending 6/30/24		
	Actual	Budget	Variance	Proj. Act	Budget	Variance
<b>Operating Revenue</b>						
<b>Single Family Lending</b>						
Lending Fees	\$13,877	\$7,833	\$6,044	\$25,178	\$18,799	\$6,379
Administration Fees	5,739	1,629	4,110	8,036	3,910	4,126
Interest	3,463	2,904	559	8,206	6,970	1,236
Loan Servicing	167	202	(35)	439	485	(46)
<i>Sub-Total Single Family</i>	<b>\$23,246</b>	<b>\$12,568</b>	<b>\$10,677</b>	<b>\$41,859</b>	<b>\$30,164</b>	<b>\$11,695</b>
<b>Multifamily Lending</b>						
Lending Fees	\$1,545	\$3,820	(\$2,276)	\$7,134	\$9,169	(\$2,035)
Administration Fees	1,976	1,589	387	5,456	3,814	1,642
Interest	6,352	5,334	1,018	16,482	12,802	3,680
Loan Servicing	634	545	89	1,943	1,309	634
<i>Sub-Total Multifamily</i>	<b>\$10,506</b>	<b>\$11,289</b>	<b>(\$783)</b>	<b>\$31,016</b>	<b>\$27,094</b>	<b>\$3,922</b>
<b>Total Operating Revenue</b>	<b>\$33,752</b>	<b>\$23,858</b>	<b>\$9,895</b>	<b>\$72,875</b>	<b>\$57,258</b>	<b>\$15,617</b>
<b>Operating Expenditures</b>						
Salaries (Incl. Temp)	\$10,491	\$13,361	(\$2,870)	\$25,711	\$30,690	(\$4,979)
Consulting and Professional Services (Contracts)	1,258	1,816	(558)	2,540	4,358	(1,818)
General Expenses	218	301	(82)	524	722	(198)
Communications	132	200	(68)	317	480	(163)
Travel	142	220	(78)	342	528	(186)
Training	50	105	(55)	120	251	(131)
Facilities	1,047	1,087	(40)	2,512	2,609	(97)
Central Admin. Services	1,234	837	398	1,852	2,008	(156)
Information Technology	755	750	6	1,813	1,799	14
Equipment	123	153	(29)	296	366	(70)
<b>Total Operating Expenses</b>	<b>\$15,452</b>	<b>\$18,828</b>	<b>(\$3,376)</b>	<b>\$36,026</b>	<b>\$43,811</b>	<b>(\$7,785)</b>
<b>Net Operating Revenue</b>	<b>\$18,300</b>	<b>\$5,029</b>	<b>\$13,271</b>	<b>\$36,849</b>	<b>\$13,447</b>	<b>\$23,402</b>



## Multi-Year Trend

- Single Family lending revenues are generally received upfront
  - Lending activity has been resilient, which is significant given the challenging interest rate environment
  - 30-Year FHA loans are up 3/8 of a point from a year ago and 30-Year Conventional are up 1/2 of a point
- Multifamily lending revenues are generally received over time, which allows for a more stable revenue base for CalHFA
- In terms of overall production, single family lending revenues have decreased from a recent high of 75% of revenues to an estimated 57% for FY 2023-24





## CalHFA Alignment with State Code and Budget

- CalHFA operating expenditures have been increasing lower than the rate of inflation in California (2.2% vs. 5.3%) since FY 2021
- Implemented new contract review and approval process in 2023
- Directed division heads to ensure mission critical expenditures for areas such as training, out-of-state travel, and professional memberships
- Pending review of all expenditure procedures
- Regular reporting to Board on savings



## Upcoming Board Discussions on Finance

### **February**

2Q24 Reporting on Strategic Plan and Operating Budget

### **March**

Presentation and consideration of Financing Resolutions

### **May**

3Q24 Reporting on Strategic Plan and Operating Budget  
Presentation and consideration of FY 2024-25 Business Plan and  
Operating Budget