

EXPLANATION OF REASONS FOR AMENDMENT TO THE CALIFORNIA HOUSING FINANCE AGENCY CONFLICT-OF-INTEREST CODE

The California Housing Finance Agency (“CalHFA” or “Agency”) is amending its Conflict-of-Interest code to: (1) modify provisions of the code; (2) revise divisions to comport with revised organizational chart; (3) add positions in renamed division; (4) add new positions; (5) reclassify positions within divisions; (6) revise titles of existing positions; (7) revise disclosure categories of existing positions; (8) delete titles of positions that are not being utilized by the Agency; and, (9) make miscellaneous “clean-up” changes. The specific amendments and an explanation of each amendment are as follows.

1. MODIFY PROVISIONS OF THE CODE

Appendix B, Category 2 – Interests in Housing Sponsors, Contractors, and Professional Service Providers

Heading. Change heading to reflect that Category 2 is now limited to housing sponsors, contractors, and professional service providers, which includes financial services, real estate services, and legal services. Previously, Category 2 was “Full Disclosure (excluding interests in real property).” The reason for this change is that general procurement and information technology, which were previously included in Category 2, have been removed from Category 2, because not all filers who report in Category 2 need to disclose general procurement and information technology items. Also, not all filers who disclose general procurement and/or information technology need to disclose interests in housing sponsors, contractors, and professional service providers. And, finally, “Full Disclosure” is no longer just Category 2, but rather Categories 1, 2, 3 and 4.

Sub-Category (B). Expand sub-category (B) to include any person or entity that “has contracted or otherwise done business with the Agency within the previous two years”; and, clarify sub-category (B) so that any person or entity that “is soliciting a contract or other business from the Agency” need not also be in any particular area of business. The purpose is to make it clear that all of the following are reportable: current contracts, recent past contracts, and pending contracts, regardless of the business type of the contractor.

Sub-Category (C). Add sub-category (C). Formerly, the business entities listed in sub-category (C) were listed in sub-category (B). Sub-category (B) is no longer limited to specific business entities; whereas, sub-category (C) is limited. Add “California Housing Finance Agency (CalHFA bonds)” as a reportable interest so that CalHFA bonds are reportable. The Agency has determined that if a designated filer owns CalHFA bonds, then there could be potential, or perceived, conflicts-of-interest in a designated filer’s decisions. Thus, the Agency has determined its designated filers should report these holdings. Delete general procurement paragraph (C)(10), and information technology paragraph (C)(11). Previously, these were subsumed within Category 2 and were also separate Categories 3 and 4, thus duplicative. Clarify types of reportable law firms to those that represent persons or entities described in Categories 2, 3 or 4, and delete the clause “in matters directly related to their status,” to clarify the meaning and to remove duplication; thus revise sub-category (C)(12) and delete sub-category (C)(13).

Appendix B, Category 3 – Interests in Facilities Contractors

Heading. Change heading to reflect that Category 3 is for disclosure of Interests in Facilities Contractors. Previously, Category 3 was called General Procurement, but was intended for designated filers to disclose Interests in Facilities Contractors. This has now been clarified.

Appendix B, Category 4 – Interests in Information Technology Sector

Heading. Change heading to reflect that Category 4 is for disclosure of Interests in Information Technology Sector. Previously, Category 4 was called Information Technology, but was intended for designated filers to disclose Interests in Information Technology Sector. This has now been clarified.

2. REVISE DIVISIONS TO COMPORT WITH REVISED ORGANIZATIONAL CHART

Loan Servicing

- This is a new division. Formerly the functions were included in Fiscal Services.

Single Family

- Homeownership is renamed Single Family.

Mortgage Insurance

- Positions are reclassified in Single Family and Financing.

3. ADD POSITIONS IN NEW AND RENAMED DIVISIONS

These positions make, participate in the making of, or influence decisions.

Loan Servicing

- Housing Finance Chief.
- Housing Finance Officer. See section 5 below.
- Staff Services Manager.

Single Family

- Housing Finance Specialist. Reclassified from Mortgage Insurance.

4. ADD NEW POSITIONS

These positions make, participate in the making of, or influence decisions.

Information Technology

- Systems Software Specialist II (Technical) (Network Systems Administration).
- Data Processing Manager II (Information Security Officer). See section 5 below.
- Staff Information Systems Analyst (Specialist) (Network Systems Administration).

Financing

- Housing Finance Officer. Reclassified from Mortgage Insurance.

Legal

- Staff Services Manager.

Multifamily Programs

- Housing Construction Inspector.
- Staff Services Manager.

Asset Management

- Housing Maintenance Inspector.

5. RECLASSIFY POSITIONS WITHIN DIVISIONS

These positions make, participate in the making of, or influence decisions.

From: Executive / To: Information Technology

- Information Security Officer. The position is filled by a Data Processing Manager II.

From: Fiscal Services / To: Loan Servicing

- Housing Finance Officer.

6. REVISE TITLES OF EXISTING POSITIONS

These positions make, participate in the making of, or influence decisions.

Executive

- “Board Member” add: “Alternates, Designees, and Ex-Officio Members” per FPPC.
- “Director of Legislation” add: “CalHFA Mortgage Assistance Corporation” to reflect the designation as per the Governor’s appointment.

Information Technology

- “Staff Information Systems Analyst (Specialist) (Technical Support & Procurement Administration)” revised to “Associate Information Systems Analyst (Specialist) (Technical Support & Procurement Administration)” to reflect the reclassification of duties to the Associate level.

Legal

- “Staff Counsel” revised to “Attorney” to reflect the revised class specification.

Single Family

- “Director of Homeownership” revised to “Director of Homeownership (Single Family Lending)” to comport with the name of the renamed division.

7. REVISE DISCLOSURE CATEGORIES OF EXISTING POSITIONS

These positions make, participate in the making of, or influence decisions.

Board of Directors; Executive; Administration; Legal; Consultants

All positions in these divisions continue to require full disclosure, previously accomplished with Categories 1 and 2 only; revised to report in Categories 1, 2, 3 & 4. Since general procurement and information technology are removed from Category 2, and are separate Categories 3 and 4, then these positions must report in Categories 1, 2, 3 and 4 to remain full disclosure.

Information Technology

Chief Information Officer. This position formerly reported in only Category 2; revised to report in Categories 2 and 4. This position was formerly full disclosure, excluding interests in real property. The Agency has determined this position need not report general procurement, but does need to report information technology.

Systems Software Specialist III (Supervisory). This position formerly reported in only Category 2; revised to report in only Category 4.

Data Processing Manager II (Information Security Officer). This position (formerly Information Security Officer in the Executive division) formerly reported in only Category 2; revised to report in only Category 4.

Associate Information Systems Analyst (Specialist) (Technical Support & Procurement). This position (formerly Staff Information Systems Analyst (Specialist) (Technical Support & Procurement Administration)) formerly reported in only Category 4; revised to report in Categories 3 and 4.

Marketing

Director of Marketing. This position formerly reported in Categories 1 and 2; revised to report in Categories 2 and 4.

Financing; Single Family; Multifamily; Asset Management

All positions in these divisions formerly reported in Categories 1 and 2; revised to report in Categories 1, 2 and 4.

Fiscal Services

Comptroller. This position formerly reported in Categories 1 and 2; revised to report in Categories 1, 2 and 4.

Deputy Comptroller. This position formerly reported in Categories 1 and 2; revised to report in Categories 1, 2 and 4.

Accounting Administrator II. This position formerly reported in only Category 3; revised to report in Categories 3 and 4.

8. DELETE TITLES OF POSITIONS THAT ARE NOT BEING UTILIZED BY THE AGENCY

The following positions are not being utilized by the Agency.

Financing

- Housing Finance Chief.

Multifamily Programs

- Chief, Special Lending Programs (CEA II).
- Supervising Design Officer.
- Senior Design Officer.

Asset Management

- Director of Asset Management.

Mortgage Insurance

- Director of Mortgage Insurance.
- Deputy Director

9. MISCELLANEOUS “CLEAN-UP” CHANGES**General Provisions**

Change “Appendix” (singular) to “Appendices” (plural) to reflect addition of Appendix B in the last Code amendment. This is a “clean-up” change only.

Appendix B – Disclosure Categories

Change heading “Appendix B, Disclosure Categories” from regular font to Italic font to be consistent with the font of “Appendix A, Designated Employees.” This is a “clean-up” change only.

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