

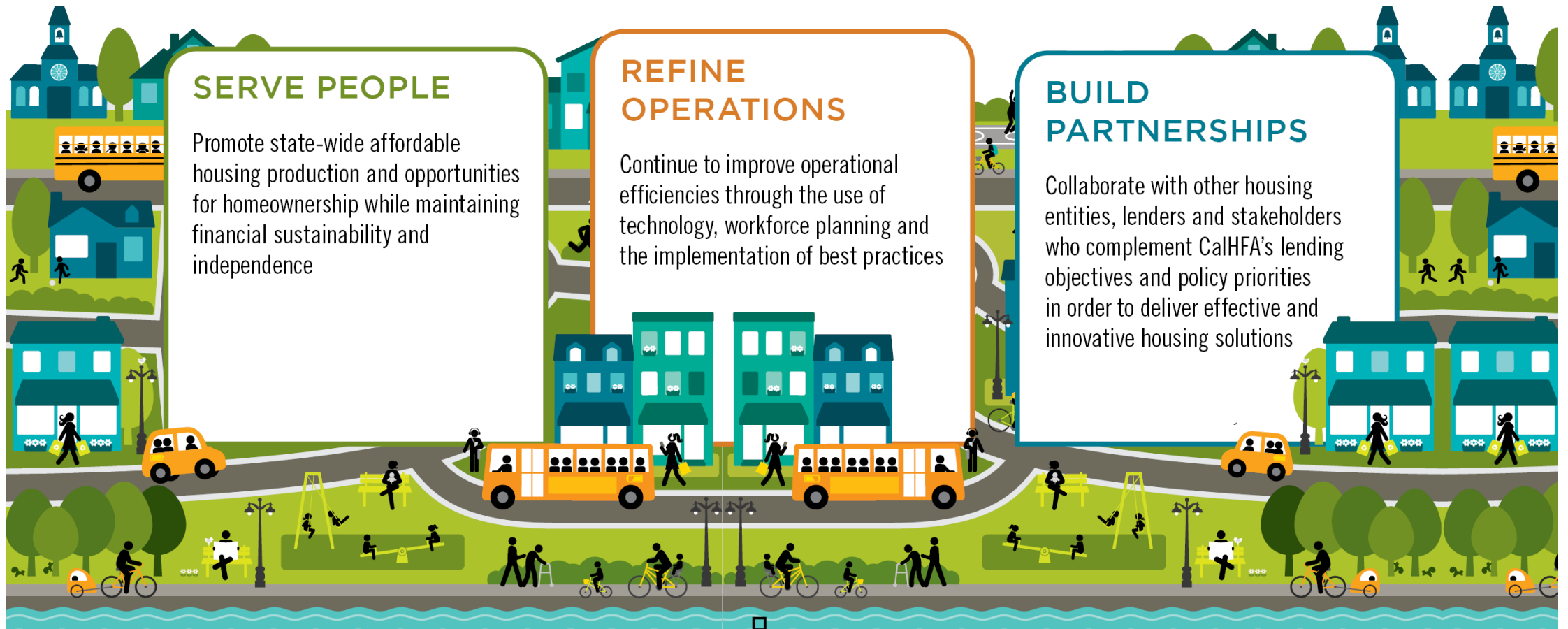


Mid-Year Business Plan & Operating Budget Update

Fiscal Year 2021-22

Don Cavier

Chief Deputy Director





Key Accomplishments at Mid-Year



- Launched Mortgage Relief Program
- Financed new construction of affordable housing through our Mixed-Income Program (MIP) program
- Implemented ADU program
- Provided housing counseling through the National Mortgage Settlement program
- Successfully recruited and filled key leadership positions
- Preserved \$118.6 million bond recycling program
- Redeployed \$157 million of recycled tax-exempt bonds
- Eliminated the Agency's outstanding variable rate demand bonds
- Submitted the State Leadership Accountability Act report
- Implemented optical character recognition functionality into the Single Family system platform to streamline document review processes

Awarded the Certificate of Achievement for Excellence in Financial Reporting for the fourth consecutive year

- Comprehensive Annual Financial Report
- Popular Annual Financial Report

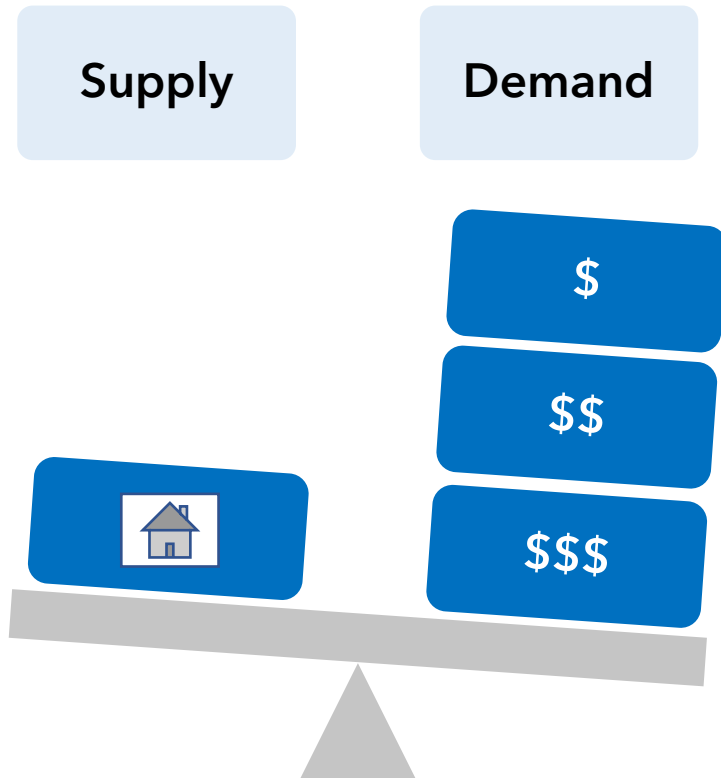
Launching the Forgivable Equity Builder Loan

- 10% Down Payment Assistance Loan
- Forgivable over 5 years
- First-Time Homebuyers under 80% AMI
- Uses include down payment assistance, closing costs and interest rate buydowns

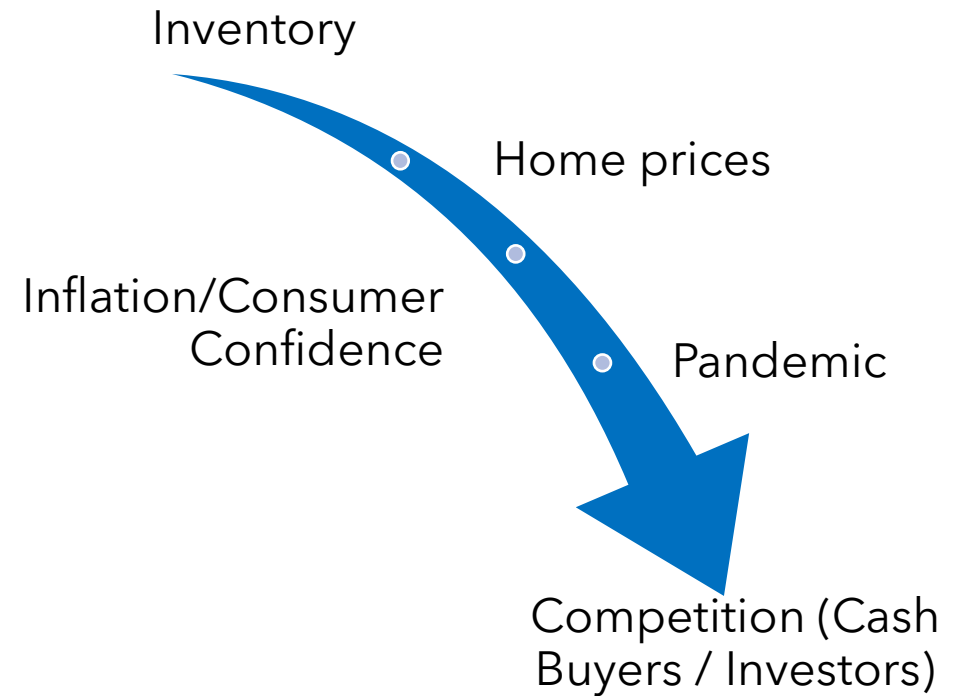
Fully launched a new multifamily family system for both loan originations and asset management.



Market Imbalance



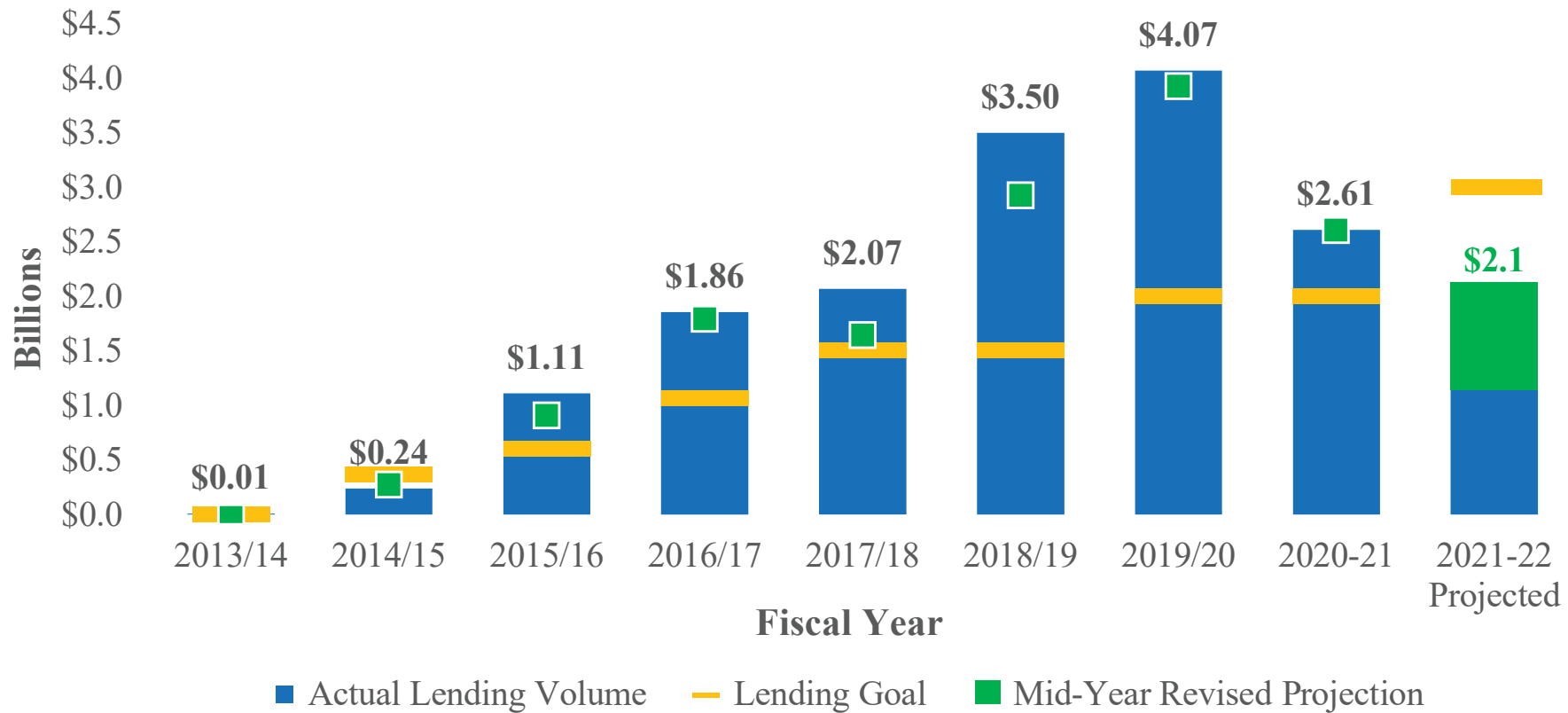
Interrelated Factors





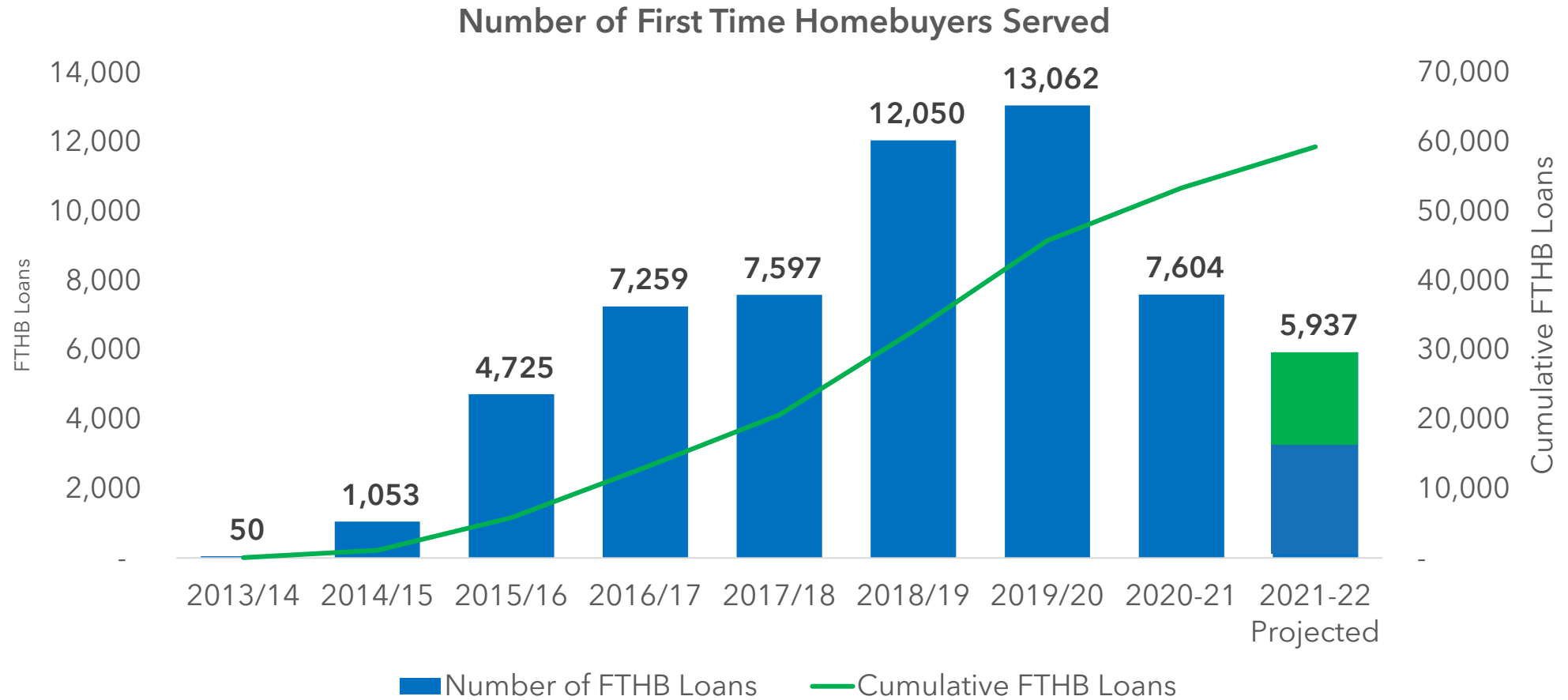
Single Family Lending Volume

Single Family Lending Volume





Single Family - Number of First Time Homebuyers Served

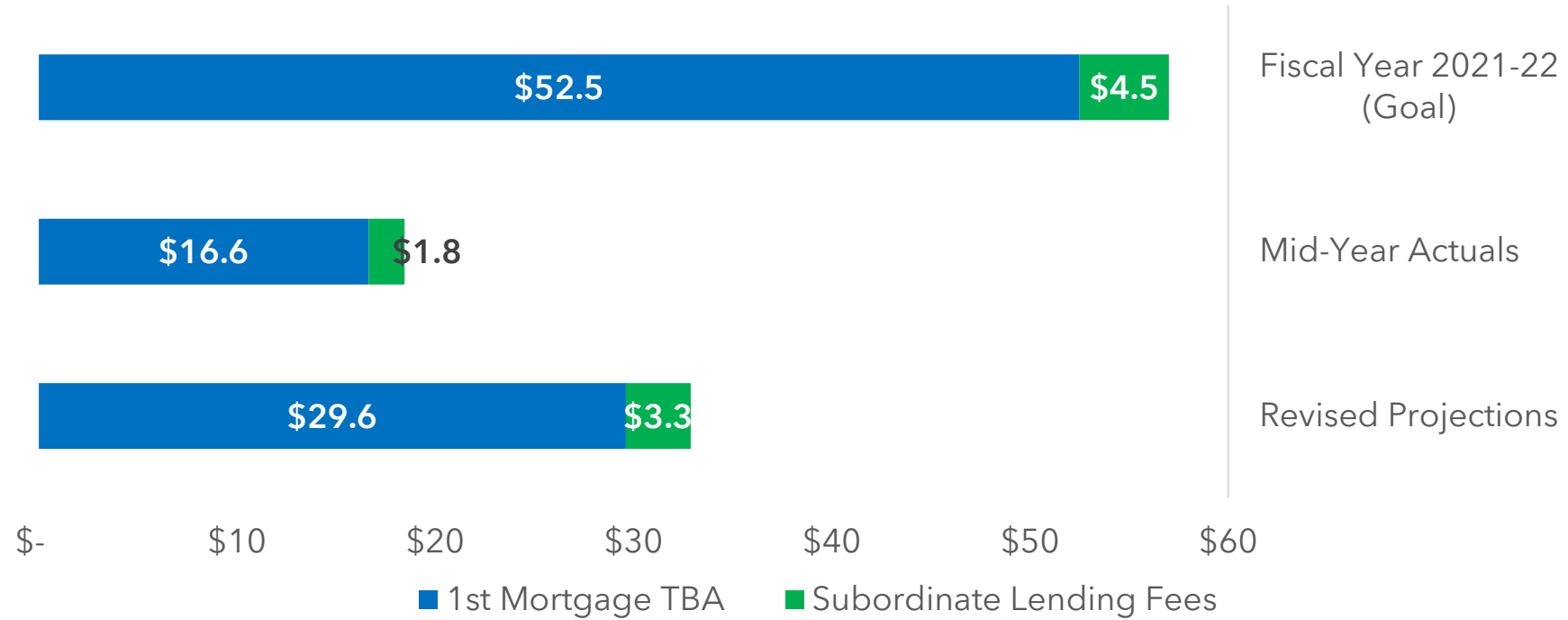




Single Family Revenues

Single Family Lending Revenues

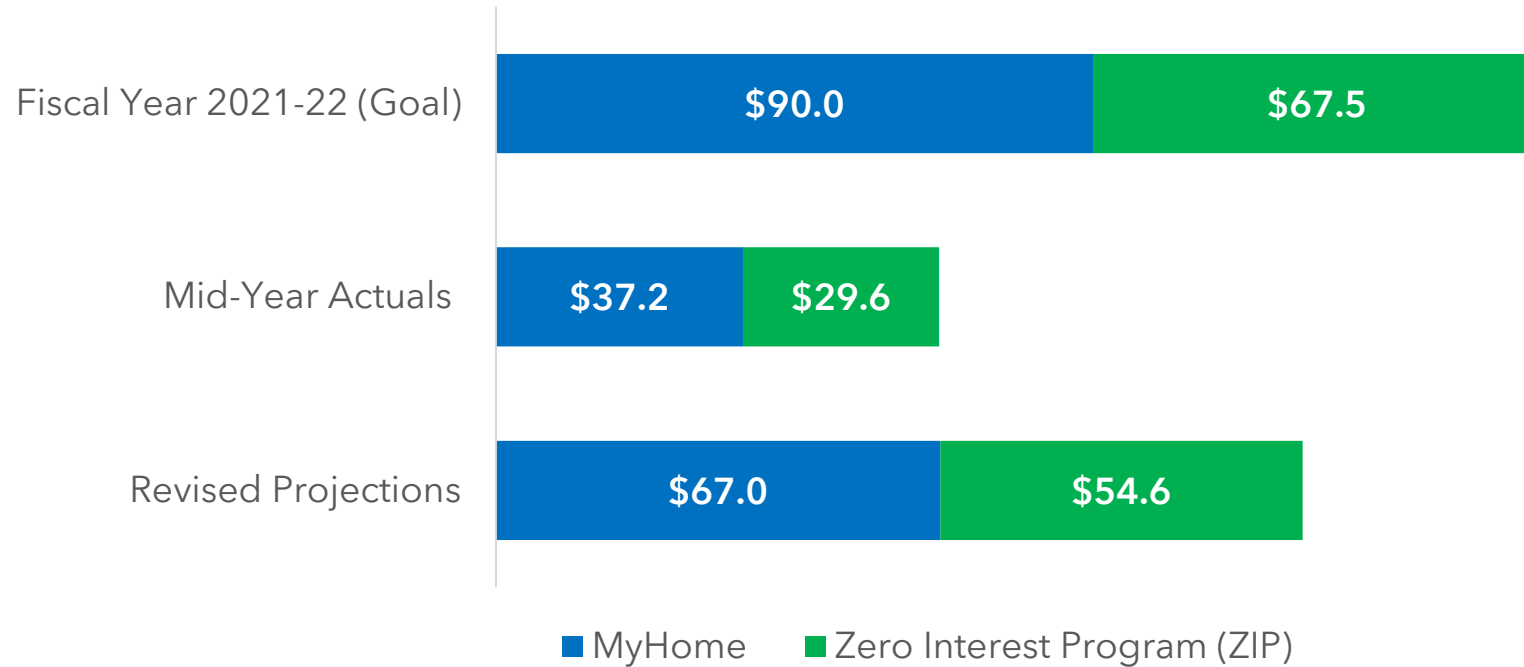
Millions





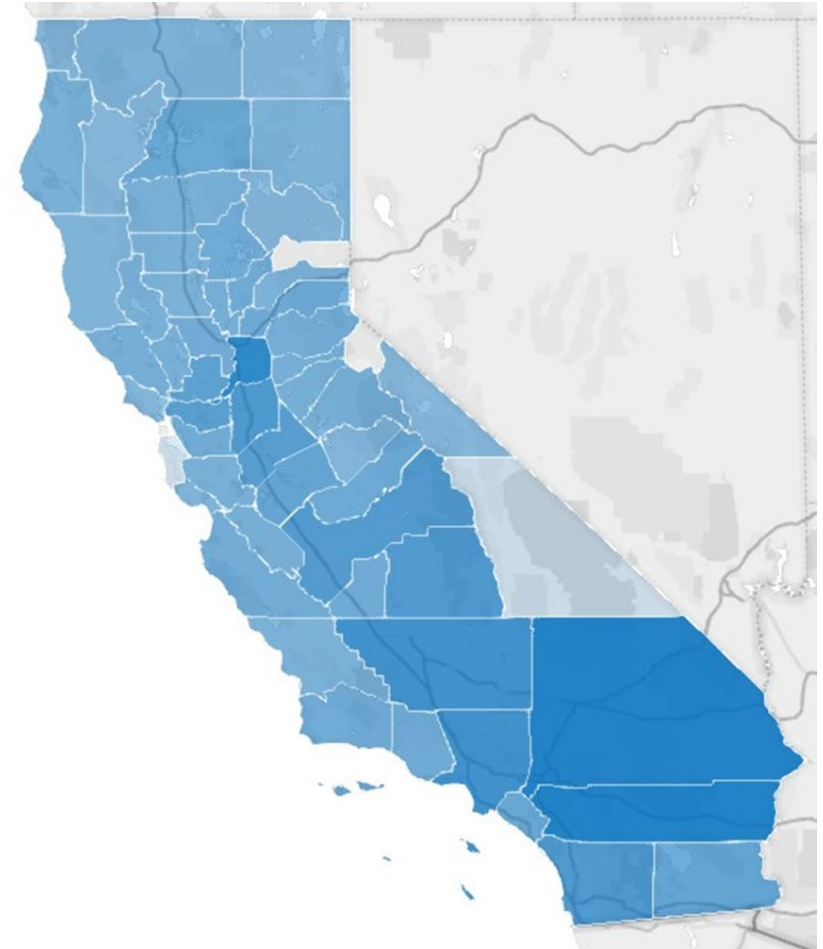
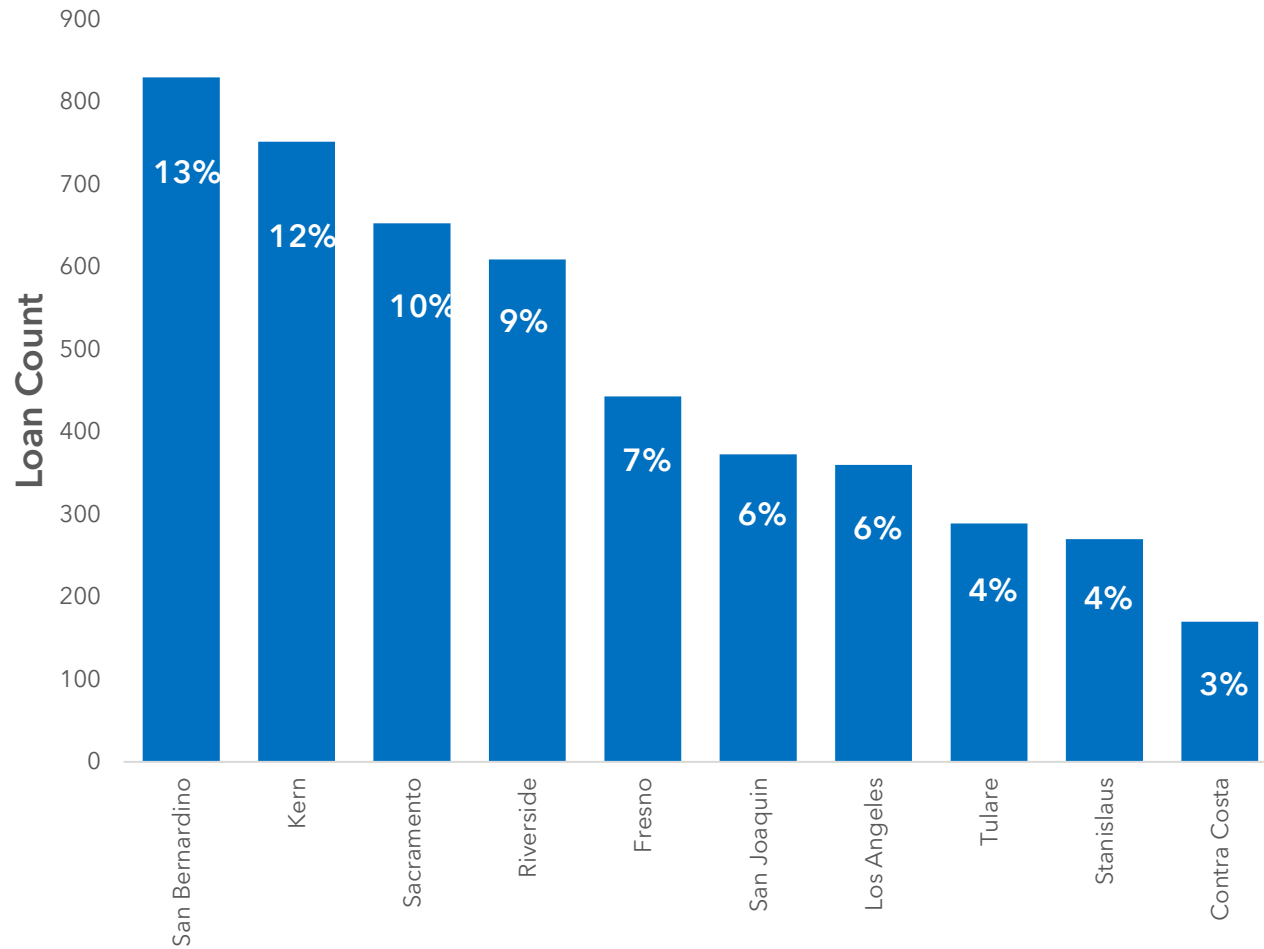
Lending Volume

Single Family (Subordinate Lending Volume)



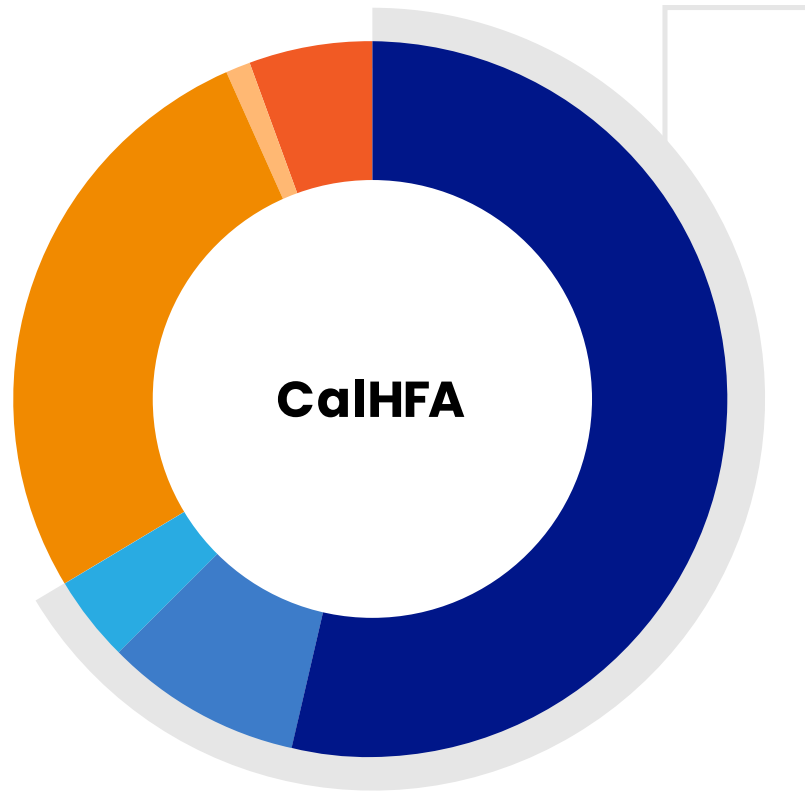
Where are our borrowers?

Top 10 Counties

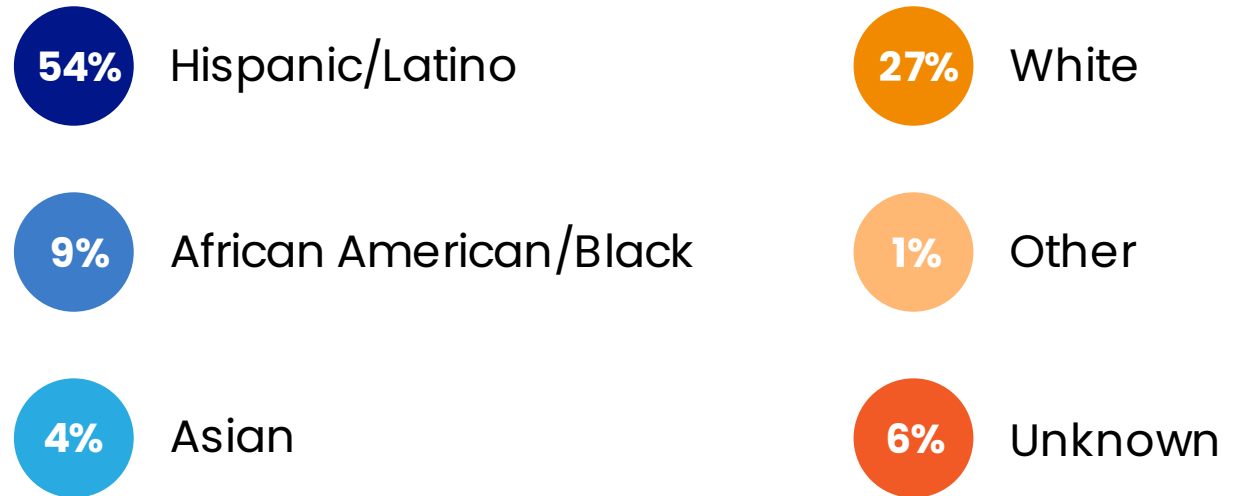




Who are our borrowers?



Two-thirds of CalHFA Single Family loans went to Hispanic, African American or Asian households



Preview of Future Initiatives



- System Enhancements to improve customers experience – Self-service options for document requests and for information about their accounts
- Enhance Home Buyer Education to Include: Homeownership with an investment component (2-4 Units/ADUs)
- Post Closing Counseling to include training on energy efficiency and drought tolerant landscaping
- Continue scaling and amplification of our newly launched Forgivable Equity Builder Loan program and ADU program via targeted marketing and outreach
- Provide technical expertise for legislative efforts to expand homeownership opportunities to underserved/socially disadvantaged communities.



Mid-Year Business Plan & Operating Budget Update

Fiscal Year 2021-22

Kate Ferguson

Director, Multifamily Programs



Financed new construction of affordable housing through our Mixed-Income Program (full FY 21-22)

- \$49,837,674 MIP commitments
- \$343,793,000 Related Permanent Loan Commitments
- \$628,075,376 Related Conduit Business
- 1,802 New Affordable Units Produced

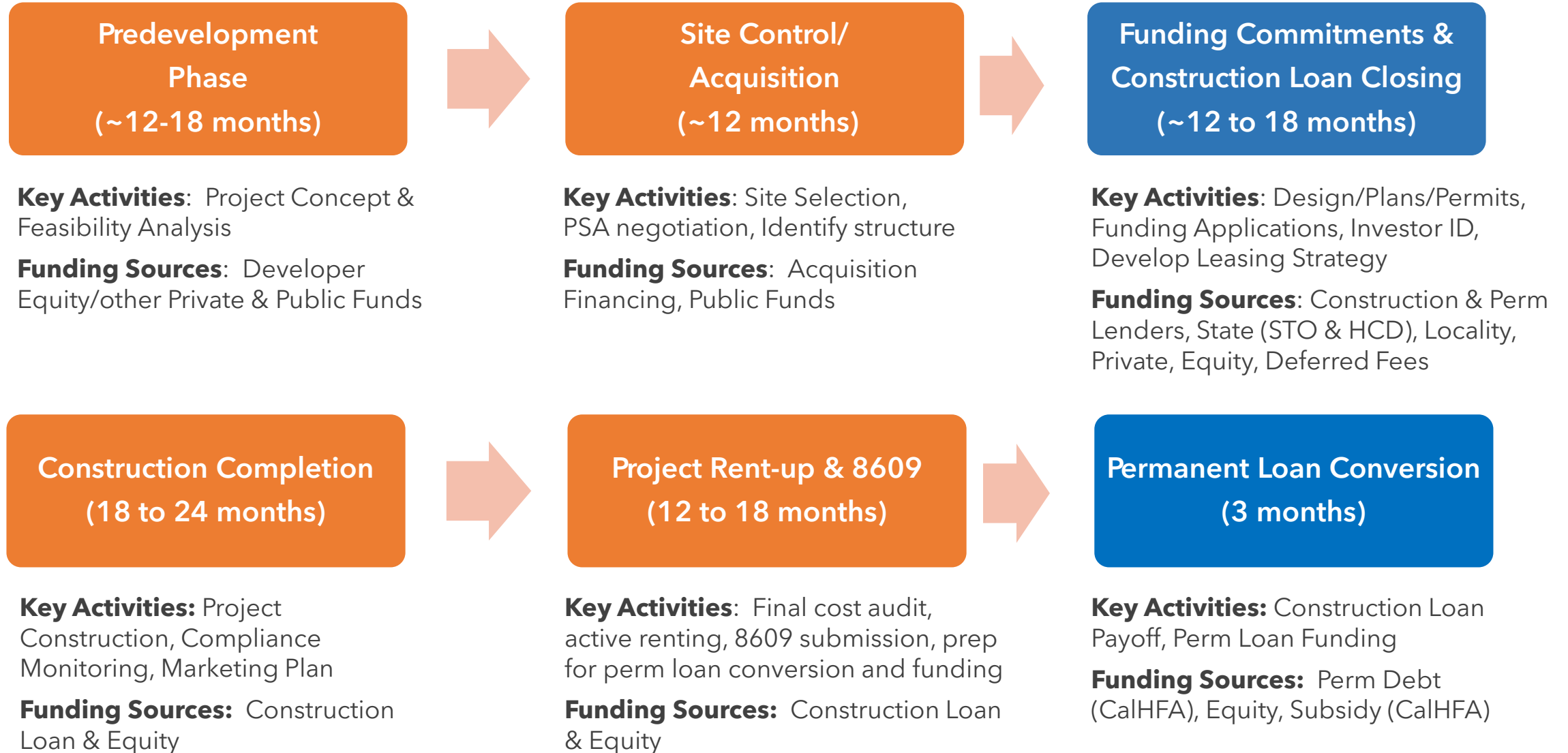
Estimated deployment of \$197 million of recycled tax-exempt bond cap by end of fiscal year

- \$11 million Related to MIP Commitments
- \$29 million Related to Non-MIP Conduit Only Production
- \$157 million Unrelated to CDLAC/CTCAC System



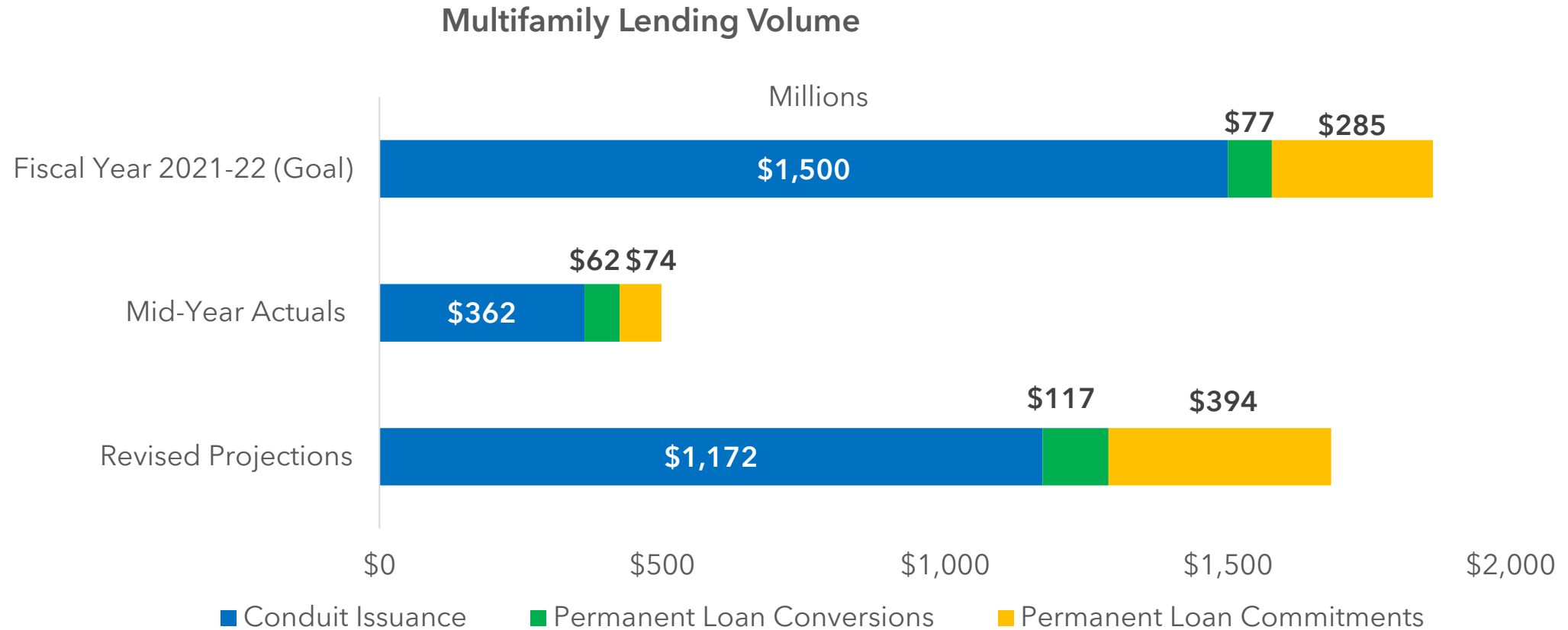
Project Funding Cycle & Timeline

~3-4 years from CalHFA Final Loan commitment to Perm Loan Conversion



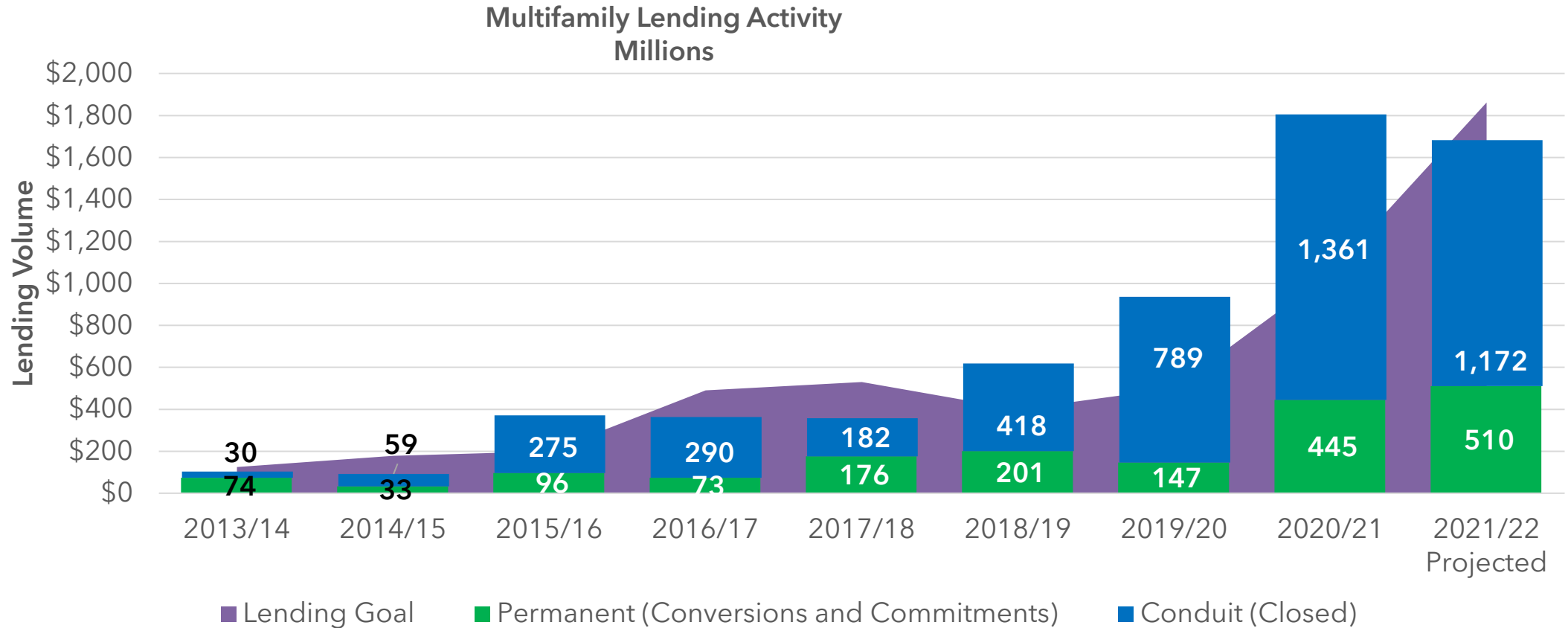


Multifamily Lending Volume





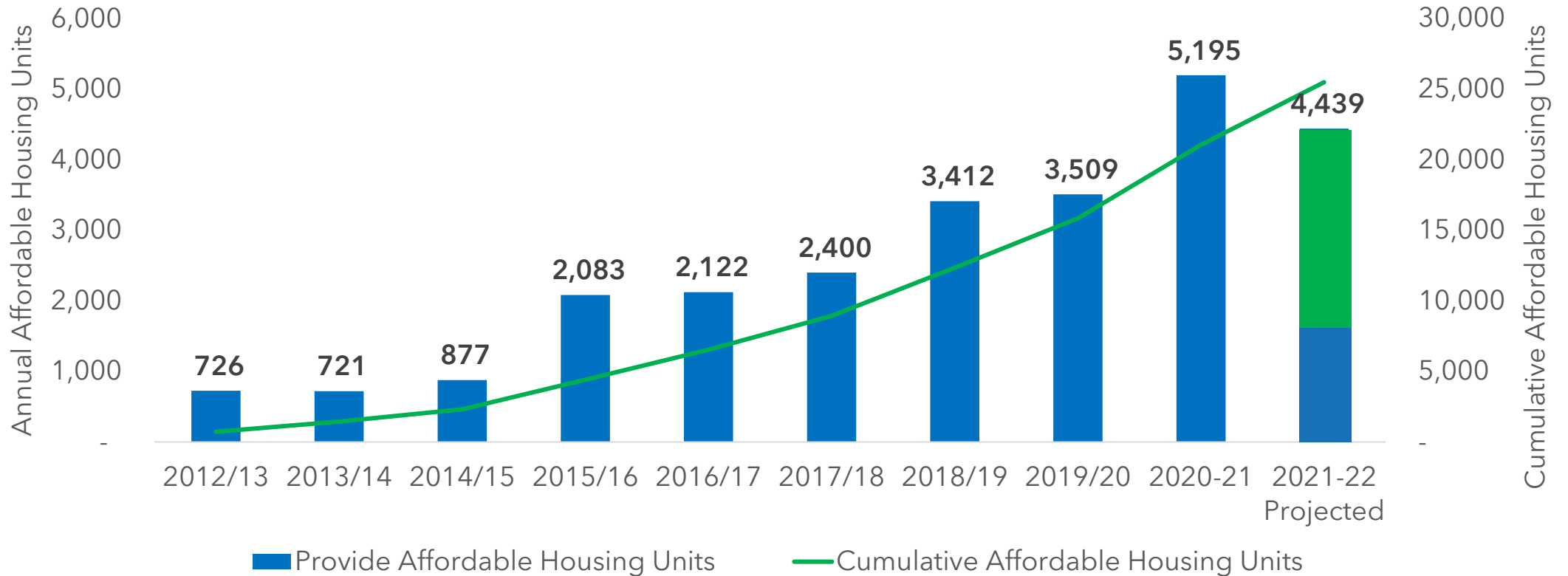
Multifamily Lending Activity





Multifamily Lending Activity

Number of Families Served



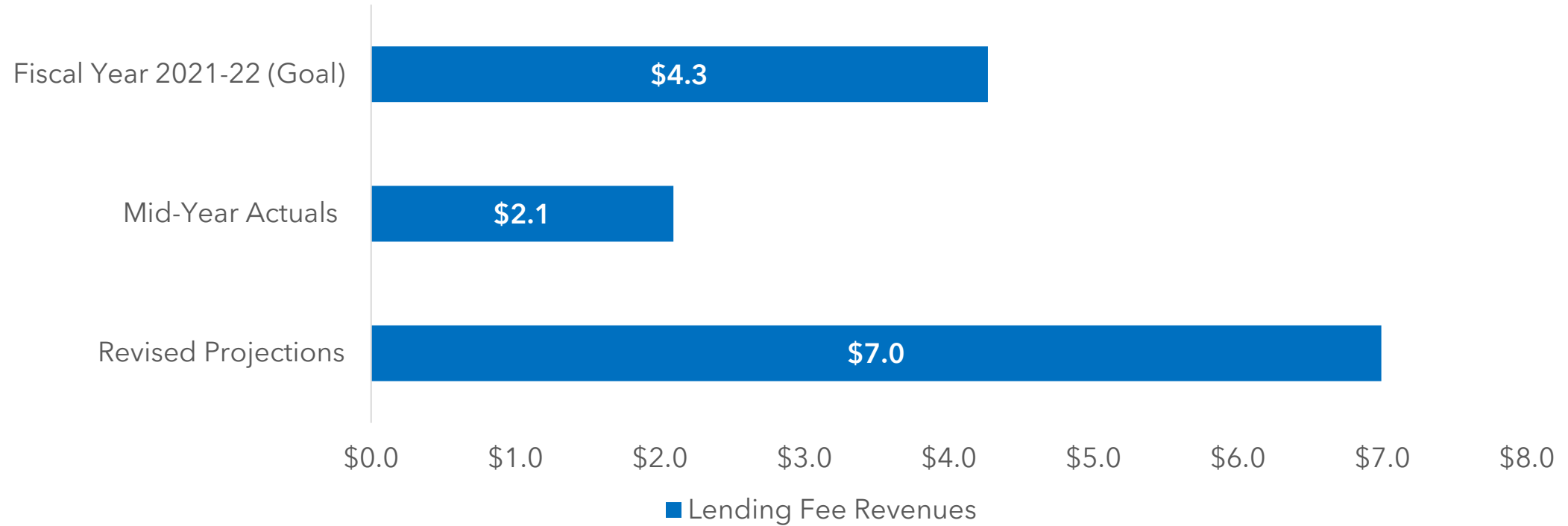
Unit Count Hierarchy for deals in multiple Programs: MIP, Perm, SNHP, Conduit



Multifamily Lending Fee Revenues

Multifamily Lending Fee Revenues

Millions





Continued Priorities

Multifamily Programs Division continues its focus on furthering the top 3 Goals of the approved 2021-22 Business Plan as follows:

SERVING PEOPLE

Our commitment to and deployment of our programs continues to focus on bringing shovel ready projects to construction as soon as possible and as efficiently as possible.

OPERATIONAL EFFICIENCIES

The successful launch of the new Multifamily System has integrated all Multifamily Lending and Asset Management data bases and loan management and reporting tools.

BUILDING PARTNERSHIPS

Efforts related to Affirmatively Furthering Fair Housing, Management of our MIP and our Bond Recycling Programs, and the wind down of the SNHP are all ongoing collaborative efforts that involve a variety of partners from the STO's teams at CDLAC and CTCAC to our partners at HCD and our Stakeholders in the communities and industry.

CHALLENGES

Macro and Micro Industry challenges including:

- Supply Chain Disruptions and Increasing Construction Costs
- Interest Rate Volatility causing both increased costs and equity reductions
- Insufficiency of new Tax-Exempt Bond Cap in the face of Construction Demand and Housing Need
- Maintaining the priority of developing new units within a band of affordability from 30%-120% AMI to ensure long term project economic feasibility.
- Preserving existing affordable housing which is at risk of physical decay or transition to market rate product
- Hiring in an extremely competitive employment market

OPPORTUNITIES

- Development of effective resources to provide gap funding to offset increasing costs and to provide predictability in a highly volatile interest rate environment
- Growth and Deployment of Recycled Bonds to fund existing housing preservation



Questions



Budget

CALIFORNIA HOUSING FINANCE AGENCY MID-YEAR 2021-22 BUDGET UPDATE (DOLLARS IN THOUSANDS)						
	Approved Budget	Mid-Year Budget	Mid-Year Actuals	Variance	%	Projected 2021-22
RESOURCES						
Single Family Lending						
Lending Fees	52,500	26,250	16,650	-9,600	-36.6%	29,610
Interest Income	9,638	4,819	4,660	-159	-3.3%	7,377
Servicing Income	1,845	923	1,192	270	29.2%	2,145
Other Administrative Fees	4,500	2,250	1,807	-443	-19.7%	3,282
Multifamily Lending						
Lending Fees	4,268	2,134	2,093	-41	-1.9%	6,991
Interest Income	13,030	6,515	6,512	-3	0.0%	13,735
Servicing Income	1,305	653	697	45	6.8%	1,254
Other Administrative Fees	2,333	1,167	2,293	1,127	96.6%	6,016
TOTALS	\$ 89,419	\$ 44,710	\$ 35,904	\$ (8,806)	-19.7%	\$ 70,410
OPERATING BUDGET						
Salaries and Wages	16,447	8,224	7,653	571	6.9%	15,400
Temp	198	99	164	(65)	-65.7%	325
Benefits	9,160	4,580	4,125	455	9.9%	8,500
General Expense	951	476	196	280	58.8%	625
Communications	384	192	104	88	45.8%	275
Travel	363	182	66	116	63.6%	125
Training	242	121	27	94	77.7%	80
Facilities Operation	2,894	1,447	1,342	105	7.3%	2,900
Consulting & Professional Services	4,311	2,156	1,068	1,088	50.5%	3,100
Central Administrative Services	2,083	1,042	1,213	(172)	-16.5%	2,085
Information Technology	1,750	875	479	396	45.3%	1,500
Equipment	220	110	1	109	99.1%	150
TOTALS	\$ 39,003	\$ 19,502	\$ 16,438	\$ 3,064	15.7%	\$ 35,065
NET SURPLUS/(EXPENDITURE)	\$ 50,416	\$ 25,208	\$ 19,466	\$ (5,742)	-22.8%	\$ 35,345



Questions