



Business Plan & Operating Budget

Fiscal Year 2022-23

PRESENTERS

DON CAVIER

Chief Deputy Director

KATE FERGUSON

Director, Multifamily Program

REBECCA FRANKLIN

Director, Enterprise Risk Management and Compliance



VISION



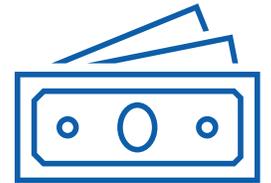
MISSION



GOALS



BUSINESS
PLANNING



BUDGET
PLANNING



Vision / Mission



VISION

All Californians living in homes they can afford.



MISSION

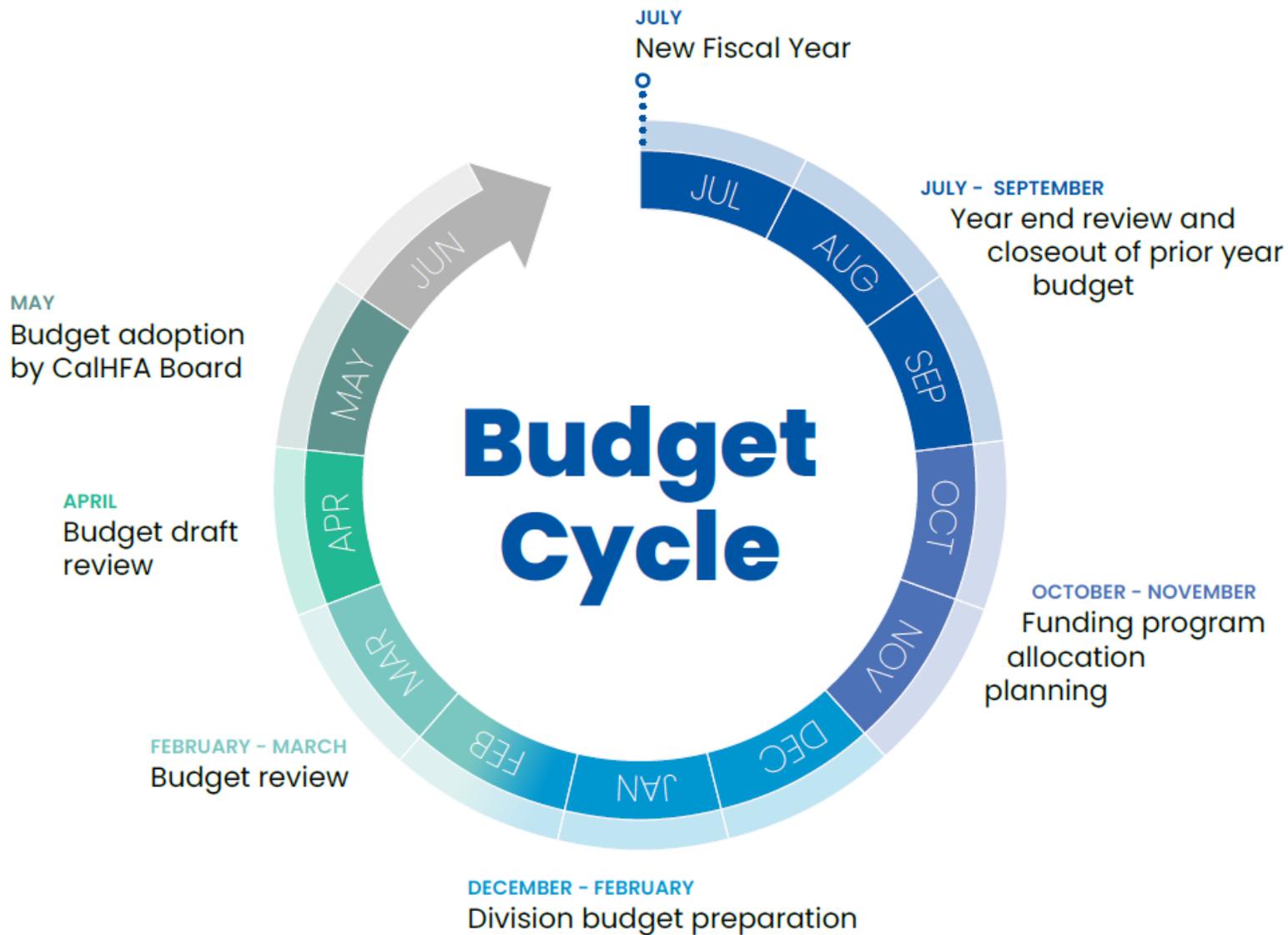
Investing in diverse communities with financing programs that help more Californians have a place to call home.

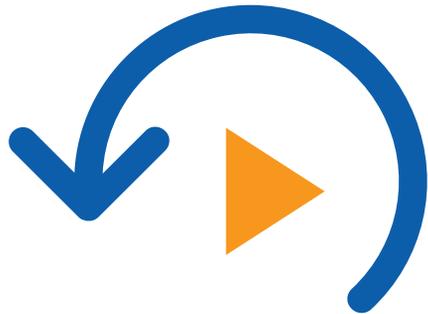


GOALS

1. Increase access to affordable housing while maintaining financial independence and flexibility
2. Continuously enhance operational efficiencies and mitigate risk
3. Facilitate the administration of one time federal and state housing assistance funds







BOARD MEETING RECAP

JANUARY

- Recap of CalHFA roles in the marketplace
- Update on single family programs, loans, and product offerings
- Current housing market & challenges

MARCH

- Current housing market drivers
- Single Family & Multifamily lending & revenue update and mid-year revised projections
- Mid-year budget update and revised projections
- Mid-year status update & proposed business plan initiatives



GOAL 1

Increase access to affordable housing while maintaining financial independence and flexibility

Promote inclusive and sustainable homeownership opportunities, while serving a broad range of income and housing types

- Securitize \$2.1 billion in first mortgage loan purchases generating \$27.3 million in revenue for Single Family Lending, assisting 5,700 first-time homebuyers
- Finance \$61.4 million in MyHome subordinate loans for down payment assistance generating \$3.1 million in administrative fees
- Finance \$18.1 million in Forgivable Equity Builder subordinate loans generating \$0.9 million in administrative fees
- Finance \$53.5 million in Zero Interest Program (ZIP) subordinate loans for closing cost assistance
- Grant \$2.5 million in Accessory Dwelling Unit (ADU) grant reservations for 100 units of ADU
- Research scalable equity building strategies and how to amplify products within underserved areas in CA
- Enhance Homebuyer Education and Post Closing Counseling



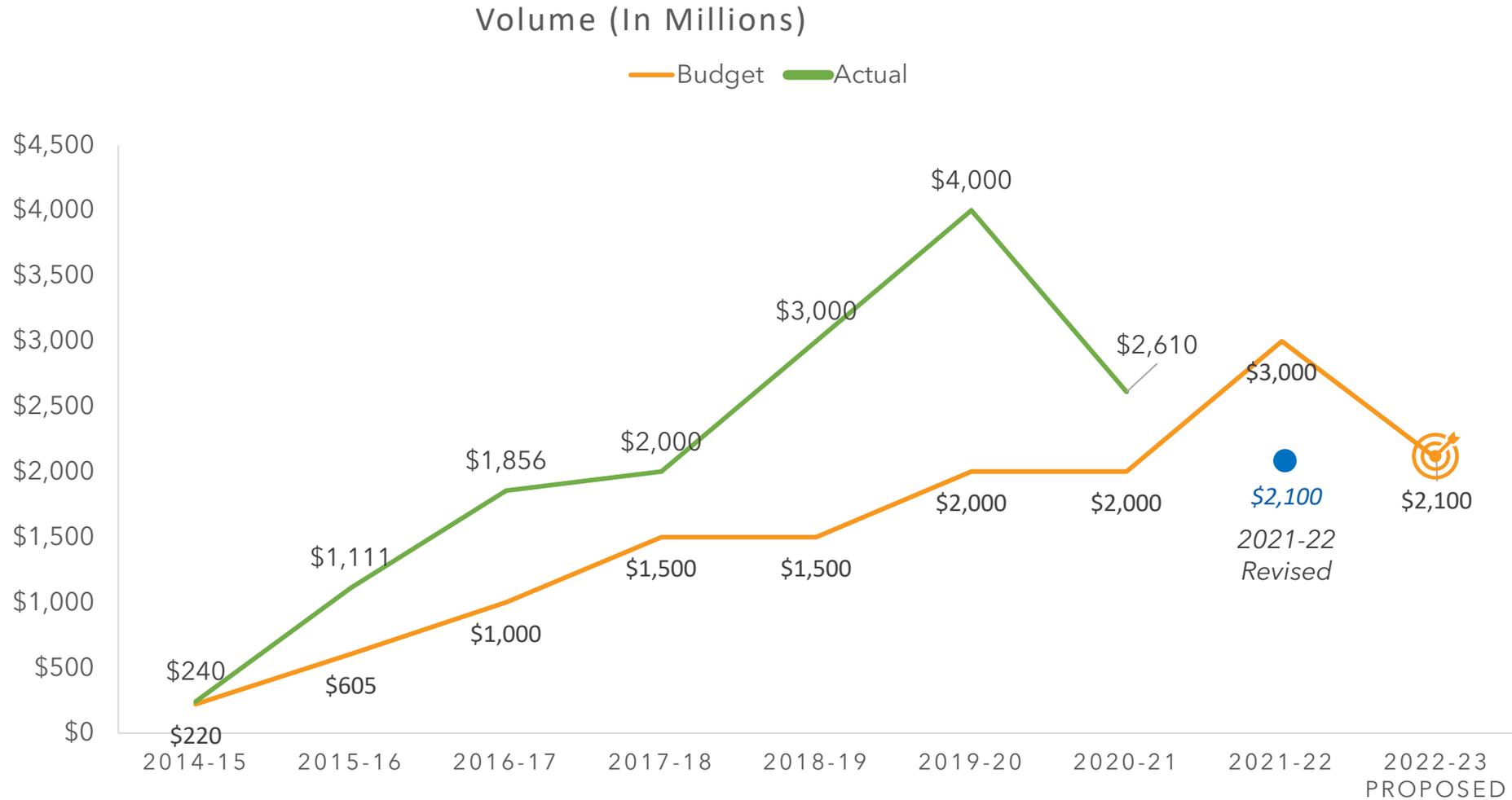
Single Family Lending Program

Lending Volume	FY 2021-22 Goals	FY 2021-22 Revised	FY 2022-23 Proposed
First Mortgage Program	\$3.0B	\$2.1B	\$2.1B
Subordinate Lending	\$157.5M	\$121.6M	\$135.5M
Totals	\$3.2B	\$2.2B	\$2.2B

Revenue	FY 2021-22 Goals	FY 2021-22 Revised	FY 2022-23 Proposed
First Mortgage Program	\$52.5M	\$29.6M	\$27.3M
Subordinate Lending	\$4.5M	\$3.3M	\$4.1M
Totals	\$57.0M	\$32.9M	\$31.4M

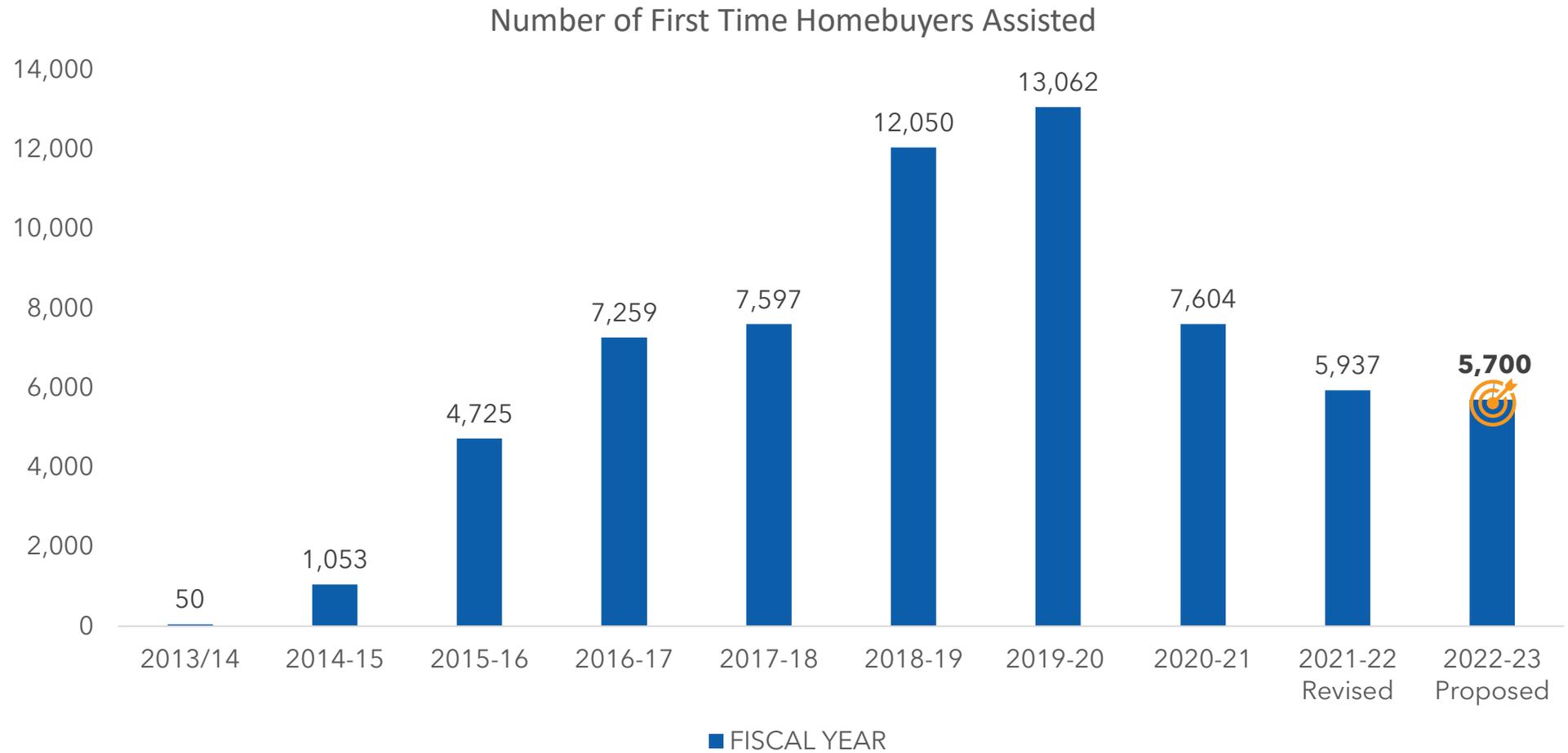


Single Family Lending Program





Single Family Lending Program





GOAL 1

Increase access to affordable housing while maintaining financial independence and flexibility

Implement multifamily lending solutions that promote inclusive communities and economically sustainable rental housing

- Finance \$1.3 billion in Multifamily Lending activity representing 5,098 units of affordable housing including:
 - \$800 million in conduit issuance
 - \$100 million in conduit issuance of recycled bonds
 - \$53.5 million permanent loan conversions
 - \$270 million permanent loan commitments
 - \$65 million mixed-income subsidy loans commitments
 - \$640 thousand in other subsidy loan conversions and commitments
 - \$11.4 million in Special Needs Housing Program (SNHP) lending
- Generate \$5.6 million in lending fee income from Multifamily Lending activity
- Implement targeted expansion of preservation and deployment of recycled bonds
- Expand the Mixed-Income Program
- Expand functionality of the Asset Management program



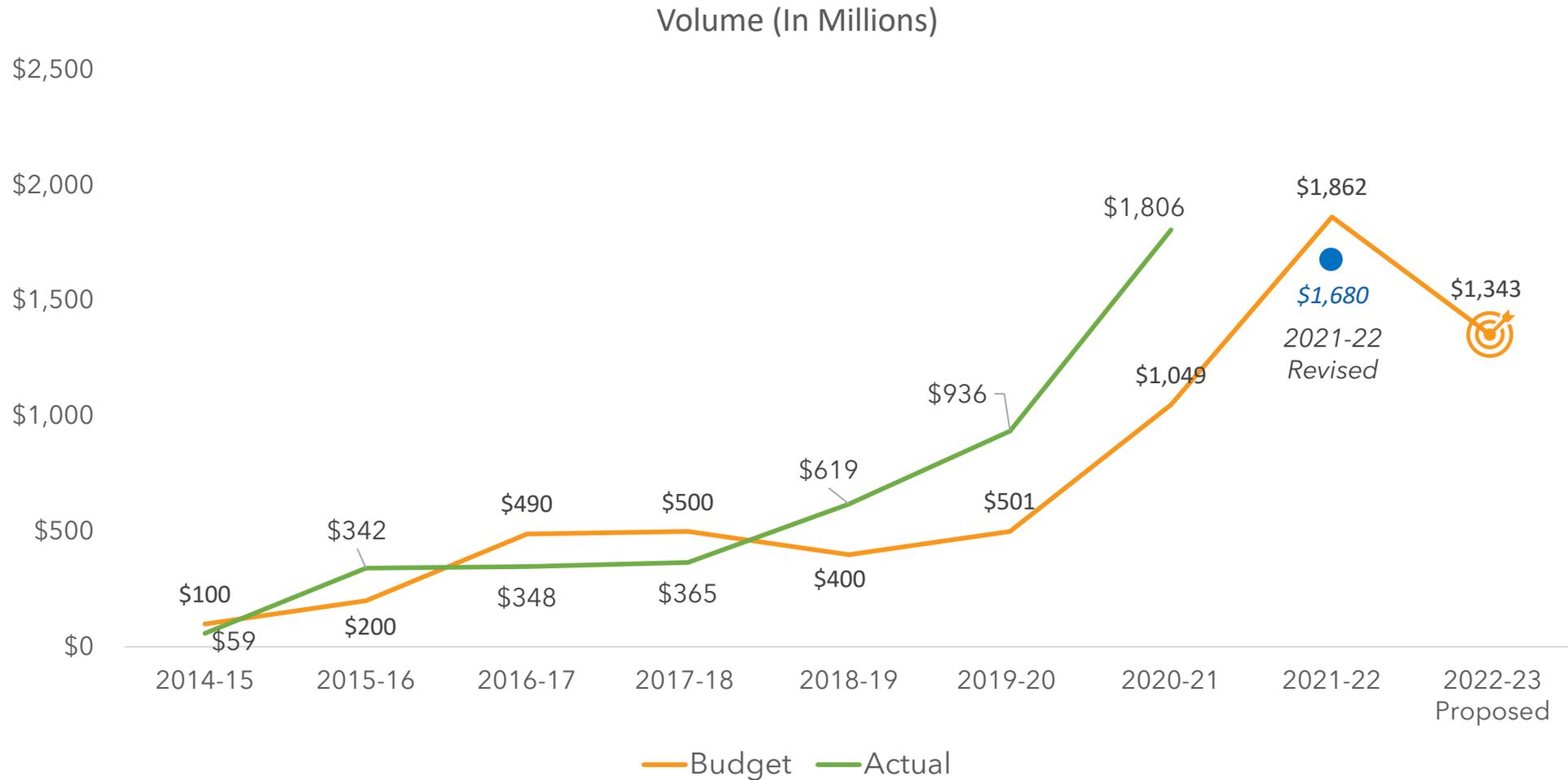
Multifamily Lending Program

Lending Volume	FY 2021-22 Goals	FY 2021-22 Revised	FY 2022-23 Proposed
Conduit Issuance Program	\$1.5B	\$1.2B	\$ 800M
Conduit Issuance (Recycle Bonds)	N/A	N/A	\$100M
Permanent Loan Conversions	\$57.4M	\$104.7M	\$96.6M
Permanent Loan Commitments	\$285M	\$393.6M	\$ 335M
SNHP Loan Closings	\$20M	\$12M	\$ 11.4M
Totals	\$1.86M	\$1.68B	\$ 1.34B

Revenue	FY 2021-22 Goals	FY 2021-22 Revised	FY 2022-23 Proposed
Conduit Issuance Program	\$1.0M	\$1.1M	\$ 1.0M
Conduit Issuance (Recycle Bonds)	N/A	N/A	\$ 0.2M
Permanent Loan Conversions	\$0.33M	\$1.8M	\$ 1.5M
Permanent Loan Commitments	\$2.7M	\$3.8M	\$ 2.8M
SNHP Loan Closings	\$0.29M	\$0.23M	\$ 0.2M
Totals	\$4.3M	\$7.0M	\$ 5.6M



Multifamily Lending Program

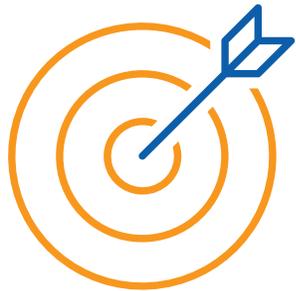




Multifamily Lending Program

Affordable Housing Units Financed





GOAL 1

Increase access to affordable housing while maintaining financial independence and flexibility

Pursue collaborative partnerships with other housing entities, lenders and stakeholders to that further CalHFA's lending objectives and policy priorities to deliver effective and inclusive housing solutions.

- Explore possible financing products and outreach efforts to support emerging developers
- Evaluate potential strategies and initiatives to expand access to homeownership

Maintain financial sustainability through active balance sheet management, including effective investment strategies, capital markets access, and funding partnerships

- Preservation of \$250 million tax exempt bond volume cap (Recycling)
- Evaluate new SF and MF indentures and create a plan of finance for MF ESG Bonds
- Monitor TBA market executions and position CalHFA to take advantage of alternative executions as needed



GOAL 2

Continuously enhance operational efficiencies and mitigate risk

Ensure existing technology is up to date and identify and implement new technologies that enhance security, service levels, and customer experience

- Explore system solutions for tracking and reporting of bond preservation and conduit issuance activities
- Implement One Machine Ecosystem project

Enhance the employee experience, increase employee engagement, provide a safe environment for staff and foster a positive diverse and inclusive workplace

- Conduct the Great Place to Work Trust Index survey and use the results to develop and implement strategies for improved employee experience and employee retention
- Fill critical leadership positions: Single Family Director, Comptroller, Assistant Deputy Director Multifamily Programs



GOAL 2

Continuously enhance operational efficiencies and mitigate risk

Continue to enhance enterprise risk and compliance functions throughout the Agency

- Establish and implement a framework to manage and ensure proper execution of enterprise projects
- Develop a risk management and appetite framework for Multifamily pipeline and portfolio



GOAL 3

Facilitate the administration of one time federal and state housing assistance funds

Administer federal funds to provide efficient and effective housing assistance to Californians, within CalHFA's business framework.

- Provide oversight and direction of the non-profit CalHFA Homeowner Relief Corporation and contractors administering the federal Mortgage Relief Program to help 20-40k homeowners who suffered a Covid-19 hardship stay in their home

Administer state funds to provide efficient and effective housing assistance to Californians, within CalHFA's business framework.

- Deploy the remaining National Mortgage Settlement funds
- Expand and market the Accessory Dwelling Unit (ADU) program
- Outreach to targeted markets and disburse SB129 funds through the Forgivable Equity Builder Loan program to assist low-income homebuyers
- Coordinate and Implement Phase II of the Caltrans Roberti 710 project



Questions

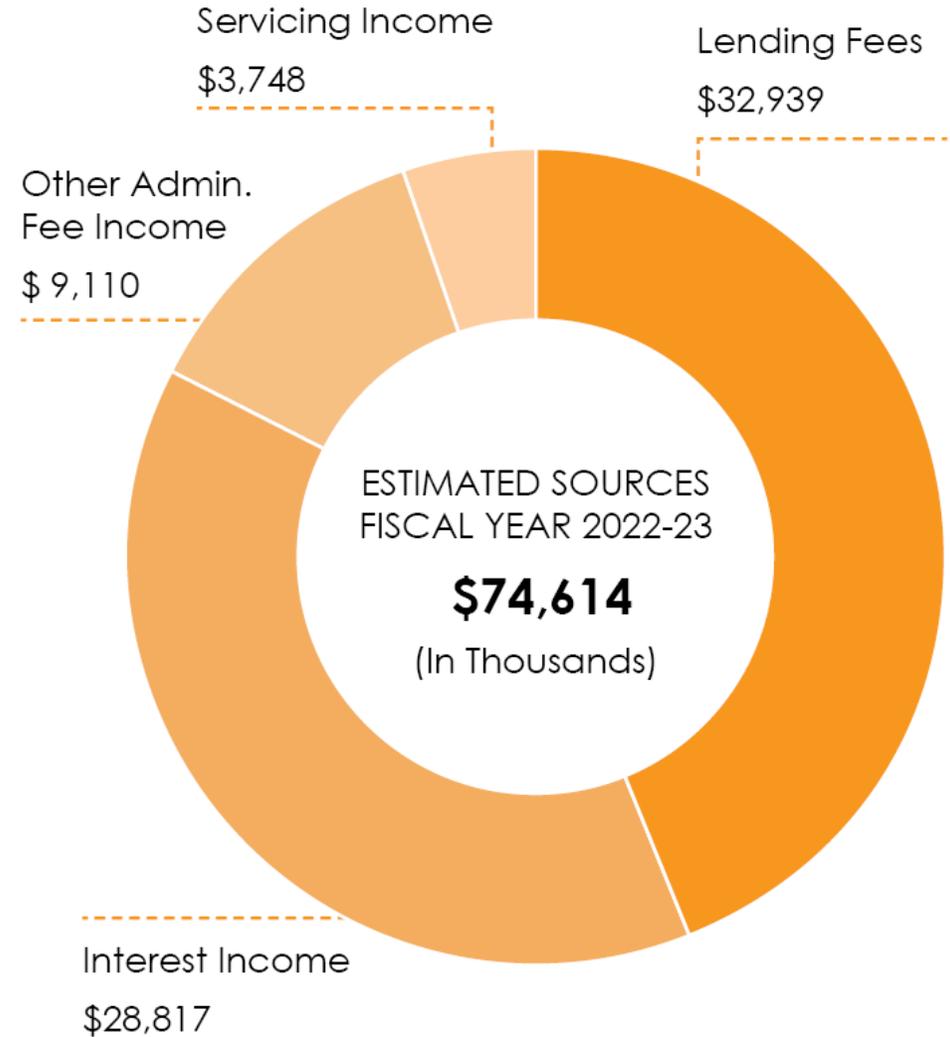


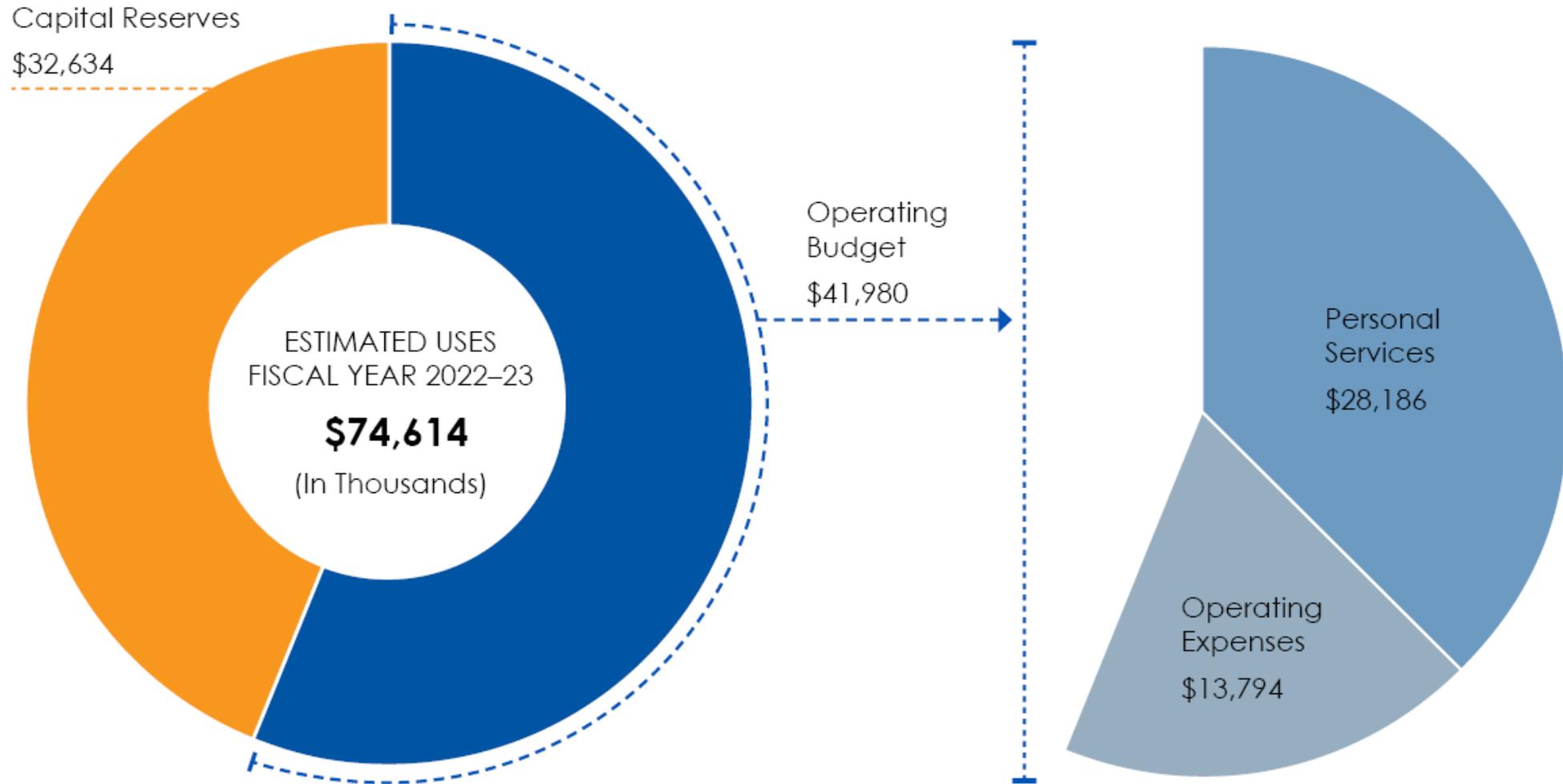
CalHFA Operating Budget

Fiscal Year 2022-23

DON CAVIER
Chief Deputy Director

CALIFORNIA HOUSING FINANCE AGENCY	
FISCAL YEAR 2022-23 REVENUE BUDGET (IN THOUSANDS)	
Single Family Lending	
Lending Fees	\$27,300
Interest Income	\$12,677
Servicing Income	\$2,496
Other Admin. Fee Income	\$4,095
TOTAL	\$46,568
Multifamily Lending	
Lending Fees	\$5,639
Interest Income	\$16,140
Servicing Income	\$1,252
Other Admin. Fee Income	\$5,015
TOTAL	\$28,046
TOTAL EST. REVENUES	\$74,614







Operating Budget

CALIFORNIA HOUSING FINANCE AGENCY								
FISCAL YEAR 2022-23 OPERATING BUDGET								
(IN THOUSANDS)								
	Adopted Budget 2017-18	Adopted Budget 2018-19	Adopted Budget 2019-20	Adopted Budget 2020-21	Adopted Budget 2021-22	Proposed Budget 2022-23	Variance FY 21-22 to FY 22-23	
OPERATING EXPENSES								
Salaries and Benefits	29,131	28,642	28,806	25,565	25,601	27,794	2,193	9%
Reimbursements	(512)	(523)	(498)				-	
Temp Services/Other	291	230	175	177	198	392	194	98%
Personal Services	28,910	28,349	28,483	25,742	25,799	28,186	2,387	9%
General Expense	827	722	775	745	951	903	(48)	-5%
Communications	440	417	407	429	384	419	35	9%
Travel	553	597	638	498	363	456	93	26%
Training	203	209	270	256	242	223	(19)	-8%
Facilities Operation	2,919	2,974	3,115	2,868	2,894	2,941	47	2%
Consulting & Professional Services	3,460	3,008	2,867	5,634	4,311	4,584	273	6%
Central Administrative Services	2,254	2,317	2,699	1,860	2,083	2,024	(59)	-3%
Information Technology	813	953	2,326	1,485	1,750	2,089	339	19%
Equipment	130	130	180	170	220	155	(65)	-30%
Operating Expenses	11,599	11,327	13,276	13,945	13,199	13,794	595	5%
TOTALS	\$40,509	\$39,676	\$41,759	\$39,687	\$38,998	\$41,980	\$2,982	8%



Questions