



# Strategic Plan Q3 Update

Fiscal Years 2023-24

June 20, 2024

**Rebecca Franklin**

Director of Enterprise Risk Management and Compliance

**Erwin Tam**

Director of Financing

## Strategic Measures - Goal 1



### Lending Impact

Focus lending activities on broadening access to affordable housing opportunities for California's diverse population.

STRATEGIC MEASURES	TOLERANCES	Q1	Q2	Q3	Q4	
Increase Single Family first mortgage dollar lending volume and number of loans 5% by 2026.	<b>Volume</b> <span style="color: green;">■</span> ≥ \$1.525B <span style="color: yellow;">■</span> \$1.5B - \$1.524B <span style="color: red;">■</span> ≤ \$1.499B					
	<b>Loan Counts</b> <span style="color: green;">■</span> ≥ 3,907 loans <span style="color: yellow;">■</span> 3,843 – 3,906 loans <span style="color: red;">■</span> ≤ 3,842 loans					
Increase Multifamily dollar lending volume, unit production, and conduit issuer volume 5% by 2026.	<b>Conduit Issuer Volume</b> <span style="color: green;">■</span> ≥ \$1.174B <span style="color: yellow;">■</span> \$1.155B – \$1.173B <span style="color: red;">■</span> ≤ \$1.154B					
	<b>Volume</b> <span style="color: green;">■</span> ≥ \$518M <span style="color: yellow;">■</span> \$509M – \$517M <span style="color: red;">■</span> ≤ \$508M					
	<b>Units</b> <span style="color: green;">■</span> ≥ 4,732 units <span style="color: yellow;">■</span> 4,654 – 4,731 units <span style="color: red;">■</span> ≤ 4,653 units					
						Off-target due to two conduit-only deals that withdrew from the CalHFA pipeline.



### Lending Impact

Focus lending activities on broadening access to affordable housing opportunities for California's diverse population.

Measure	Increase Multifamily dollar lending, unit production, and conduit issuer volume by 5% by 2026.	
Desired Outcome	4,732 or more units in FY 2023-24.	
Challenges	Currently, the Multifamily pipeline projects 4,346 units in FY 2023-24, approximately 400 units less than the desired outcome. The lower unit count reflects two conduit only deals which either fell out of production or did not receive bond cap from CDLAC.	
Mitigation Activity	Owner(s)	Completion Date
Increase flexibility with loan programs through ability to efficiently redirect resources from developments that fell out. Such flexibility may include program waitlists.	Director of Multifamily Programs	1/31/2025



### Financial Sustainability



Leverage opportunities and create innovative products that ensure CalHFA's financial sustainability and continued ability to serve the affordable housing market.

STRATEGIC MEASURES	TOLERANCES	Q1	Q2	Q3	Q4
Maintain risk-adjusted rate of return on restricted assets.	<div>■ <math>\geq 5.3\%</math></div> <div>■ <math>4.5\% - 5.2\%</math></div> <div>■ <math>\leq 4.4\%</math></div>				
Identify and implement new revenue generating strategies.	<div>■ Yes</div> <div>■ No</div> <div>■ None Planned</div>				
Grow the Agency's balance sheet, increasing total assets by 5% by 2026.	<div>■ <math>\geq \\$2.75B</math></div> <div>■ <math>\\$2.70B - \\$2.74B</math></div> <div>■ <math>\leq \\$2.69B</math></div>				
Maintain financial liquidity with a minimum of 20% of net assets as short-term investments	<div>■ Yes</div> <div>■ No</div>				



### Trusted Advisor

Affirm CalHFA as a trusted housing finance advisor that understands the needs of California's diverse communities.

STRATEGIC MEASURES	TOLERANCES	Q1	Q2	Q3	Q4
Increase public presence and publications 10% by 2026.	<ul style="list-style-type: none"> <li>■ <math>\geq 64</math> appearances</li> <li>■ 55 – 63 appearances</li> <li>■ <math>\leq 54</math> appearances</li> </ul>				
Partner, fund, and/or participate in housing finance data analytics reports.	<ul style="list-style-type: none"> <li>■ Yes</li> <li>■ No</li> <li>■ None Planned</li> </ul>				
Receive industry recognition and/or awards for CalHFA specific programs.	<ul style="list-style-type: none"> <li>■ 1 award</li> <li>■ No award</li> <li>■ No submission</li> </ul>		 Completed	 Completed	



### Operational Excellence

Invest in continuous improvement and cultivate an inclusive and highly qualified workforce.

STRATEGIC MEASURES	TOLERANCES	Q1	Q2	Q3	Q4
Implement informed decision-making tools and processes.	<div>■ Tools in place</div> <div>■ No tools in place</div> <div>■ None planned</div>				
Increase Great Place to Work certification score 5% by 2026.	<div>■ <math>\geq 69\%</math></div> <div>■ 68%</div> <div>■ <math>\leq 67\%</math></div>				
Fill 80% of all key positions.	<div>■ <math>\geq 80\%</math></div> <div>■ 75% – 79%</div> <div>■ <math>\leq 74\%</math></div>				

## Overall Objectives Performance Status

### 12 Strategic Objectives



**92%**

11 - On-Target



**8%**

1 – At-Risk



**0%**

0 – Off-Target



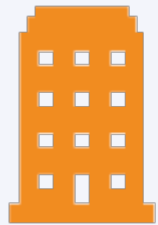
### Lending Impact

Focus lending activities on broadening access to affordable housing opportunities for California’s diverse population.

Objective	Build the Multifamily portfolio through preservation of existing projects and expansion of new lending and subsidy opportunities.	
Initiative	Maximize deployment of recycled bonds to increase the production of affordable multifamily housing in California.	
Desired Outcome	Continue to exceed annual goals for deployment of recycled bonds.	
Challenges	Currently, the Multifamily pipeline indicates recycled bond production at 42% of goal for FY 2023-24. Tax-exempt recycled bonds are heavily marketed to all CalHFA applicants, but as tax-exempt bonds awarded by CDLAC have become less competitive, the demand for this resource has waned.	
Mitigation Activity	Owner(s)	Completion Date
Financing will interface with broker-dealers to reassess current term sheet requirements.	Erwin Tam	Ongoing



### Highlights



**230%**  
oversubscribed

The 2024 Mixed Income Program launched in January and was again oversubscribed by more than 230%. These new units will be developed in 9 counties throughout the state.



**CalHFA led the organization of the first HFA Roundtable Conference on Public Finance**

- Co-hosted by Morgan Stanley and Orrick on February 29 and March 1st.
- The conference brought together industry leaders such as S&P Global Ratings, Moody's Investor Service, CSG, cFX and HFAs from Massachusetts, New York, Colorado and more.
- CalHFA helped design the conference and senior leadership including Executive Director Tiena Johnson Hall, Chief Deputy Director Chris Shultz, Director of Single Family Programs Ellen Martin and Director of Financing Erwin Tam, who spoke on one of the panels.

Single Family Production Update



Assisted  
**4,756**  
homebuyers

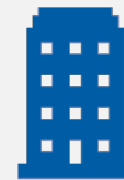


**\$28M**  
Revenue  
generated



**\$2.2B**  
Lending  
volume  
activity

Multifamily Production Update



Financed  
**1,870**  
affordable  
housing units



**\$4.4M**  
Revenue  
generated



**\$1.1B**  
Lending  
volume  
activity



## FY 2023–24 Strategic Plan Status Update – Q3

	9 months ending 3/31/24			12 months ending 6/30/24		
Operating Revenue	Actual	Budget	Variance	Proj. Act	Budget	Variance
<b>Single Family Lending</b>						
Lending Fees	\$21,501	\$14,099	\$7,402	\$27,290	\$18,799	\$8,491
Administration Fees	\$6,805	\$2,933	\$3,873	\$7,781	\$3,910	\$3,871
Interest	\$5,809	\$5,228	\$581	\$7,992	\$6,970	\$1,022
Loan Servicing	\$396	\$364	\$32	\$536	\$485	\$51
<i>Sub-Total Single Family</i>	<i>\$34,512</i>	<i>\$22,623</i>	<i>\$11,889</i>	<i>\$43,599</i>	<i>\$30,164</i>	<i>\$13,435</i>
<b>Multifamily Lending</b>						
Lending Fees	\$4,248	\$6,877	(\$2,629)	\$7,038	\$9,169	(\$2,131)
Administration Fees	\$4,339	\$2,861	\$1,479	\$6,139	\$3,814	\$2,325
Interest	\$11,887	\$9,602	\$2,286	\$16,253	\$12,802	\$3,451
Loan Servicing	\$1,087	\$982	\$105	\$1,414	\$1,309	\$105
<i>Sub-Total Multifamily</i>	<i>\$21,561</i>	<i>\$20,321</i>	<i>\$1,241</i>	<i>\$30,844</i>	<i>\$27,094</i>	<i>\$3,750</i>
<b>Total Operating Revenue</b>	<b>\$56,073</b>	<b>\$42,944</b>	<b>\$13,129</b>	<b>\$74,443</b>	<b>\$57,258</b>	<b>\$17,185</b>
<b>Operating Expenditures</b>						
Salaries (Incl. Temp)	\$19,722	\$23,018	(\$3,296)	\$28,441	\$30,691	(\$2,249)
Consulting and Professional Services (Contracts)	\$2,424	\$3,269	(\$845)	\$3,094	\$4,358	(\$1,264)
General Expenses	\$320	\$542	(\$222)	\$494	\$722	(\$228)
Communications	\$189	\$360	(\$171)	\$253	\$480	(\$227)
Travel	\$210	\$396	(\$186)	\$272	\$528	(\$256)
Training	\$91	\$188	(\$97)	\$107	\$251	(\$144)
Facilities	\$1,910	\$1,957	(\$47)	\$2,630	\$2,609	\$21
Central Admin. Services	\$1,974	\$1,505	\$469	\$2,007	\$2,007	\$0
Information Technology	\$1,484	\$1,349	\$135	\$2,107	\$1,799	\$308
Equipment	\$722	\$275	\$448	\$734	\$366	\$368
<i>Total Operating Expenses</i>	<i>\$29,045</i>	<i>\$32,858</i>	<i>(\$3,812)</i>	<i>\$40,139</i>	<i>\$43,811</i>	<i>(\$3,672)</i>
<b>Net Operating Revenue</b>	<b>\$27,027</b>	<b>\$10,086</b>	<b>\$16,942</b>	<b>\$36,849</b>	<b>\$13,447</b>	<b>\$23,402</b>