



## Public Meeting Agenda

### California Housing Finance Agency Board of Directors

Thursday, June 20, 2024

10:30 a.m. or upon adjournment of the Executive Evaluation Committee meeting

California Department of Food and Agriculture

1220 N Street, Auditorium

Sacramento, CA 95814

This meeting is also available to view on livestream. Please note, public comments cannot be made when viewing livestream.

<https://www.youtube.com/watch?v=fWBGVZhxWzk>

1. Roll Call	
2. Approval of the minutes of the March 21, 2024, meeting .....	1
3. Chairperson/Executive Director comments	
4. Update on Fiscal Year 2023-24 Q3 Strategic Plan and Operating Budget (Rebecca Franklin and Erwin Tam) .....	7
5. Discussion of the March workshop summary and outcomes (Chris Shultz) .....	14
6. Discussion, recommendation, and possible action to adopt Proposed Business Plan for Fiscal Year 2024/25 (Rebecca Franklin and Chris Shultz) .....	18
<b>Resolution No. 24-15 .....</b>	<b>35</b>
7. Discussion, recommendation, and possible action to adopt Proposed Operating Budget for Fiscal Year 2024/25 (Erwin Tam and Chris Shultz) .....	38
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8. Report from the Executive Evaluation Committee (Jim Cervantes)	
9. Discussion, recommendation, and possible action to adopt a salary range adjustment for key exempt management staff (Jennifer LeBoeuf) .....	53
<b>Resolution No. 24-17 .....</b>	<b>61</b>

10. Discussion, recommendation, and possible action to adjust the salary of the Executive Director based on the 2022/23 performance evaluation (Jennifer LeBoeuf) ..... 63

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11. Update on the 2024 CalHFA Mixed-Income Program (Kate Ferguson) ..... 66

12. Update on the California Mortgage Relief Program (Rebecca Franklin) ..... 81

13. Legislative update (Mehgie Tabar) ..... 83

14. Informational written reports:

    A. Single Family Loan Production report..... 85

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    C. Asset Management Quarterly report for period ending December 31, 2023 ..... 94

    D. Asset Management Quarterly report for period ending March 31, 2024 ..... 98

15. Other Board matters

16. Public comment: Opportunity for members of the public to address the Board on matters within the Board’s authority

17. Adjournment

NOTES\*\*

PARKING: 1) 1517 13<sup>th</sup> Street parking garage (\$1.25 per 20 minutes, \$20 daily max); Minimal street parking available via meter.

## **MINUTES**

### **California Housing Finance Agency (CalHFA) Board of Directors Meeting March 21, 2024**

Meeting noticed on March 11, 2024

#### **1. Roll Call**

The California Housing Finance Agency Board of Directors Meeting was called to order at 9:14 a.m. by Acting Chair White. A quorum of members was present.

MEMBERS PRESENT: Grant (for Moss), Limon, Henning (for Ma), Johnson Hall, Russell, Feigles (for Sin), Sotelo, Velasquez, White, Williams

MEMBERS ARRIVING

AFTER ROLL CALL: Cabildo (9:20), Cervantes (9:37), Avila Farias (9:54)

MEMBERS ABSENT: Assefa, Prince, Perrault (for Stephenshaw)

STAFF PRESENT: Claire Tauriainen, Melissa Flores, Shawnté Spears, Erwin Tam, Chris Shultz

GUEST SPEAKERS: Albert Luong, Director, Barclays

Justin Cooper, Partner, *Orrick*

James Hacker, Deputy Cabinet Secretary of Housing, Homelessness, Transportation, and Broadband Issues, *Office of Governor Gavin Newsom*

Myles White, Deputy Legislative Affairs Secretary, *Office of Governor Gavin Newsom*

Cassandra Pye, President, *Lucas Public Affairs*

Early departures: Grant (replaced by Moss), Cabildo, Velasquez, Henning (for Ma)

#### **2. Approval of the Minutes – February 21, 2024**

On a motion by Henning, the minutes were approved by unanimous consent of all members in attendance.

#### **3. Chairperson/Executive Director comments**

Chairperson comments:

- Acting Chair White welcomed everyone to the meeting.

Executive Director comments:

- Johnson Hall introduced CalHFA's new Director of Legislation Mehgie Tabar.
- She and CalHFA staff have recently participated in several events including the HFA Roundtable in San Francisco, the National Council of State Housing Finance Agencies annual Legislative Conference in Washington, D.C., and Housing California's Annual Conference in Long Beach.
- On April 3 the California Dream for All Program will begin accepting applications until April 29.

#### BUSINESS ITEMS

#### **4. Final loan commitment for Meridian Family Apartments – Project No. 23-007, for 233 units in San Jose, Santa Clara County – Resolution No. 24-08**

*Presented by Shawnté Spears*

*Guest Speakers: Steven Emani and Brett Granum, Roem Development Corp.*

On a motion by Russell, the Board approved **Resolution No. 24-08**. The votes were as follows:

AYES: Avila Farias, Cabildo, Cervantes, Grant (for Moss), Limon, Henning (for Ma), Russell, Feigles (for Sin), Sotelo, Velasquez, White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: Prince

#### **5. Final loan commitment for Brand Haven Senior Apartments – Project No. 19-076, for 180 units in Fresno, Fresno County – Resolution No. 24-09**

*Presented by Shawnté Spears*

On a motion by Williams, the Board approved **Resolution No. 24-09**. The votes were as follows:

AYES: Avila Farias, Cabildo, Cervantes, Grant (for Moss), Limon, Henning (for Ma), Russell, Feigles (for Sin), Sotelo, Velasquez, White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: Prince

**6. Discussion, recommendation, and possible action authorizing the financing of the Agency's multifamily housing program, the issuance of multifamily bonds, the Agency's multifamily bond indentures, credit facilities for multifamily purposes, and related financial agreements and contracts for services – Resolution No. 24-10**

*Presented by Erwin Tam*

On a motion by Avila Farias, the Board approved **Resolution No. 24-10**. The votes were as follows:

AYES: Avila Farias, Cabildo, Cervantes, Grant (for Moss), Henning (for Ma), Russell, Feigles (for Sin), Sotelo, Velasquez, White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: Limon, Prince

**7. Discussion, recommendation, and possible action authorizing the financing of the Agency's multifamily housing program from non-bond sources and related financial agreements and contracts for services – Resolution No. 24-11**

*Presented by Erwin Tam*

On a motion by Sotelo, the Board approved **Resolution No. 24-11**. The votes were as follows:

AYES: Avila Farias, Cabildo, Cervantes, Limon, Grant (for Moss), Henning (for Ma), Russell, Feigles (for Sin), Sotelo, Velasquez, White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: Prince

**8. Discussion, recommendation, and possible action authorizing the Agency's single family bond indentures, the issuance of single family bonds, credit facilities for homeownership purposes, and related financial agreements and contracts for services – Resolution No. 24-12**

*Presented by Erwin Tam*

On a motion by Limon, the Board approved **Resolution No. 24-12**. The votes were as follows:

AYES: Avila Farias, Cabildo, Cervantes, Limon, Grant (for Moss), Henning (for Ma), Russell, Feigles (for Sin), Sotelo, Velasquez, White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: Prince

**9. Discussion, recommendation, and possible action authorizing the Agency's single family non-bond financing mechanisms for homeownership purposes, and related financial agreements and contacts for services – Resolution No. 24-13**

*Presented by Erwin Tam*

On a motion by Sotelo, the Board approved **Resolution No. 24-13**. The votes were as follows:

AYES: Avila Farias, Cabildo, Cervantes, Limon, Grant (for Moss), Henning (for Ma), Russell, Feigles (for Sin), Sotelo, Velasquez, White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: Prince

**10. Discussion, recommendation, and possible action approving applications to the California Debt Limit Allocation Committee for private activity bond allocations for the Agency's programs – Resolution No. 24-14**

*Presented by Erwin Tam*

On a motion by Williams, the Board approved **Resolution No. 24-14**. The votes were as follows:

AYES: Cabildo, Cervantes, Grant (for Moss), Limon, Russell, Feigles (for Sin), White, Williams

NOES: Avila Farias, Henning (for Ma), Velasquez

ABSTENTIONS: Sotelo

ABSENT: Prince

**WORKSHOP (Informational)**

**11. Presentations and Discussions**

**A. Perspectives on CalHFA's role in affordable housing finance ecosystem**

- I. Introduction to CalHFA and former Board member perspective  
(this item was moved to 11. A. II by Chair Cervantes)

*Presented by Tiena Johnson Hall*

Johnson Hall provided the Board with a brief history of CalHFA and its origins. She outlined various sections of the Health and Safety Code that mandate CalHFA's role as a housing finance lender in California.

- II. Public finance representatives – Importance of CalHFA's role in capital markets, path to current credit rating, general requirements needed to maintain a strong credit rating, HFA model and its operation within a federal landscape, CalHFA's financial attributes as compared to other HFAs  
(this item was moved to 11. A. III by Chair Cervantes)

*Presented by Albert Luong and Justin Cooper*

Luong and Cooper provided the Board with an overview of the importance of CalHFA's credit strength in capital markets and how CalHFA is empowered by statute and mission to address pressing housing issues statewide.

- III. Governor's Administration representatives – CalHFA's role in the Governor's statewide housing initiatives and balancing legislative priorities and mandates  
(this item was moved to 11. A. I by Chair Cervantes)

*Presented by James Hacker and Myles White*

Hacker and White discussed CalHFA's role as the state's housing finance lender. They highlighted the importance of CalHFA's partnerships with the Administration, other state agencies, and external stakeholders in creating affordable housing solutions statewide.

## **B. Roundtable discussion on CalHFA's charge**

*Facilitated by Cassandra Pye*

- I. What are our challenges and opportunities?
- II. Review and discussion of CalHFA's future role and priorities
- III. Alignment with Business Plan, State priorities and State partners

The Board engaged in a facilitated discussion about what the current challenges and opportunities are for CalHFA.

## **12. Informational written reports**

Chair Cervantes asked if there were any questions or comments regarding the informational reports and there were none.

## **13. Other Board matters**

Chair Cervantes asked if there were any other Board matters and there were none.

## **14. Public comment**

Chair Cervantes asked if there were any comments from the public and there were none, except for the written comment received from Nora Salazar-Hernandez regarding the California Mortgage Relief Program.

## **15. Adjournment**

As there was no further business to be conducted, Chair Cervantes adjourned the meeting at 4:03 p.m.





## MEMORANDUM

**To:** Board of Directors **Date:** June 20, 2024

**From:** Rebecca Franklin, Director of Enterprise Risk Management and Compliance  
California Housing Finance Agency

**Subject:** Agenda Item 4 – FY 2023-24 Strategic Plan Q3 Update

### Background

In May 2023, the Board of Directors adopted a three-year CalHFA Strategic Plan for fiscal years 2023-24 through 2025-26. The plan focused on CalHFA's goals, measures, and objectives for the next three years. Annually, the CalHFA executive team, under the guidance of Executive Director Johnson Hall, develops key initiatives to help achieve the Strategic Goals set by the Board. The plan was formed in alignment with CalHFA's mission and vision and serves to amplify the Agency's commitment and continuous efforts to serve the diverse communities of California.

With CalHFA's mission of **investing in diverse communities with financing programs that help more Californians have a place to call home**, CalHFA focused its strategies and business decisions on these four goals:

1. **Lending Impact** - Focus lending activities on broadening access to affordable housing opportunities for a diverse population.
2. **Financial Sustainability** - Leverage opportunities and create innovative products that ensure financial sustainability and continue to serve the affordable housing market.
3. **Trusted Advisor** - Affirm CalHFA as a trusted housing finance advisor that understands the needs of California's diverse communities.
4. **Operational Excellence** - Invest in continuous improvement and cultivate an inclusive and highly qualified workforce.

### **Third Quarter Update**

This item provides the Board of Directors with an update on the strategic measures' progress in the third quarter of FY 2023-24. A dashboard is included to provide an overview of the performance, an update on the Single Family and Multifamily production, a high-level operating expense update, and a few notable highlights thus far. Two items are detailed below for exception reporting purposes.

#### **Exception:**

##### **Goal 1 Strategic Measure**

The Multifamily pipeline projects 4,346 units in FY 2023-24, approximately 400 units fewer 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. These deals do not affect the performance of the revenue measure, just the overall unit production. The staff has conducted a root cause analysis around the measure's performance and has started to develop mitigating efforts. These efforts are focused on increasing CalHFA's flexibility in redirecting resources when projects fall out of production.

##### **Goal 1 Business Plan Initiative**

The Multifamily pipeline indicates recycled bond production at 42% of the goal for FY 2023-24. Tax-exempt recycled bonds are heavily marketed to all CalHFA customers, but as tax-exempt bonds awarded by CDLAC have become less competitive, the demand for this resource has waned. The staff has conducted a root cause analysis around the initiative's performance and has started to develop mitigating efforts. These efforts are focused on increasing communication and touch points with broker-dealer counterparts so that more participants in the affordable housing finance ecosystem promote the usage of recycled bonds.

## STRATEGIC MEASURES – Q3



### 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	Comments
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.



### Goal 2: 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	Comments
Maintain risk-adjusted rate of return on restricted assets.	<span style="color: green;">■</span> ≥ 5.3% <span style="color: yellow;">■</span> 4.5% – 5.2% <span style="color: red;">■</span> ≤ 4.4%					
Identify and implement new revenue generating strategies.	<span style="color: green;">■</span> Yes <span style="color: yellow;">■</span> No <span style="color: red;">■</span> None Planned					
Grow the Agency's balance sheet, increasing total assets by 5% by 2026.	<span style="color: green;">■</span> ≥ \$2.75B <span style="color: yellow;">■</span> \$2.70B – \$2.74B <span style="color: red;">■</span> ≤ \$2.69B					
Maintain financial liquidity with a minimum of 20% of net assets as short-term investments	<span style="color: green;">■</span> Yes <span style="color: red;">■</span> No					

## STRATEGIC MEASURES – Q3



### Goal 3: 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	Comments
Increase public presence and publications 10% by 2026.	<ul style="list-style-type: none"> <li>■ ≥ 64 appearances</li> <li>■ 55 – 63 appearances</li> <li>■ ≤ 54 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.



### Goal 4: Operational Excellence

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

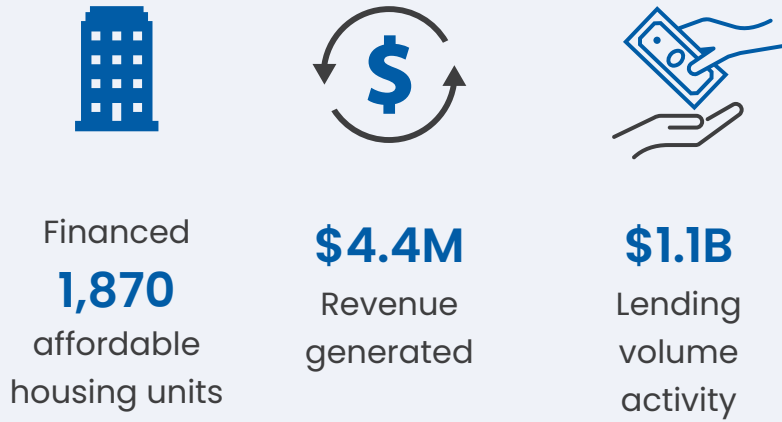
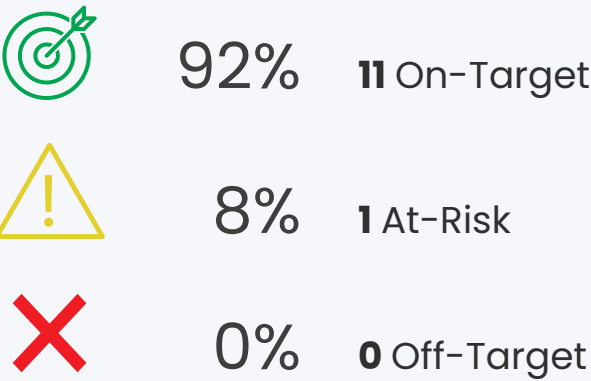
STRATEGIC MEASURES	TOLERANCES	Q1	Q2	Q3	Q4	Comments
Implement informed decision-making tools and processes.	<ul style="list-style-type: none"> <li>■ Tools in place</li> <li>■ No tools in place</li> <li>■ None planned</li> </ul>					
Increase Great Place to Work certification score 5% by 2026.	<ul style="list-style-type: none"> <li>■ ≥ 69%</li> <li>■ 68%</li> <li>■ ≤ 67%</li> </ul>					
Fill 80% of all key positions.	<ul style="list-style-type: none"> <li>■ ≥ 80%</li> <li>■ 75% – 79%</li> <li>■ ≤ 74%</li> </ul>					

OVERALL OBJECTIVES PERFORMANCE STATUS

SINGLE FAMILY PRODUCTION UPDATE

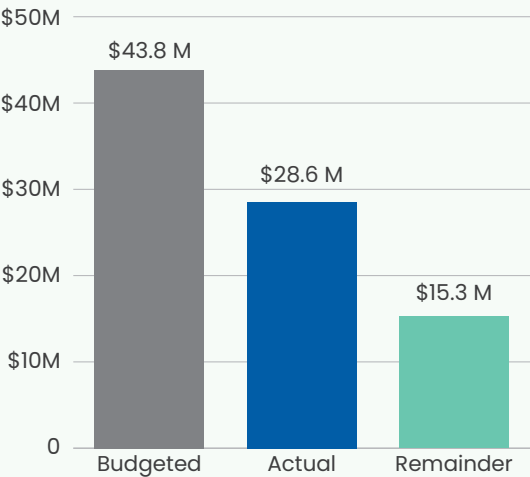
MULTIFAMILY PRODUCTION UPDATE

12 Strategic Objectives



Operating Expense

Highlights



- 
- 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.



## Goal 1: 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.	Kate Ferguson	1/31/2025



## Goal 1: Lending Impact

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

<b>OBJECTIVE</b>	Build the Multifamily portfolio through preservation of existing projects and expansion of new lending and subsidy opportunities.
<b>INITIATIVE</b>	Maximize deployment of recycled bonds to increase the production of affordable multifamily housing in California.
<b>DESIRED OUTCOME</b>	Continue to exceed annual goals for deployment of recycled bonds.
<b>CHALLENGES</b>	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.	Kate Ferguson / Erwin Tam	Ongoing



## MEMORANDUM

**To:** Board of Directors **Date:** June 20, 2024

**From:** Chris Shultz, Chief Deputy Director  
California Housing Finance Agency

**Subject:** Agenda Item 5 – March 2024 Board Workshop Notes and Follow-Up Plan

### Requested Board Action

Review and discuss facilitator notes (attachment A) from the March 22, 2024, board workshop which transcribes the wall-sized notes from the conference room (Expectations, Potential Partners, Big Ideas, Goals/Outcomes, Challenges, Opportunities). Review and discuss staff-generated list (below) of actionable items from the board workshop.

### Discussion

Staff-identified actionable items for 2024-25 include:

- Explore multifamily middle-income program; explore expanded partnership with local governments and public education (5 stars)
  - See *Strategic Business Plan, Goal 2, Objective 1, Initiative 1*
- Create a secondary market for ADU loans (3 stars)
  - See *Strategic Business Plan, Goal 1, Objective 2, Initiative 5*
- Create new multifamily/MIP replacement product (2 stars)
  - See *Strategic Business Plan, Goal 1, Objective 3, Initiative 1*
- Explore expanded partnership opportunities with Federal Home Loan Bank, HUD/FHFA
  - See *Strategic Business Plan, Goal 2, Objective 2, Initiative 2*
- Explore catalyst role for entry-level home construction



- *Potentially add to Strategic Business Plan, Goal 1, Objective 2, new initiative*
- Explore expanded partnership opportunities with banks, CDFIs and insurance companies.
  - *Potentially add to Strategic Business Plan, Goal 2, Objective 1, new initiative*
- Explore new partnership opportunities with churches, tech companies, healthcare organizations.
  - *Potentially add to Strategic Business Plan, Goal 2, Objective 1, new initiative*

## ATTACHMENT A – FACILITATOR'S TRANSCRIBED NOTES

### Expectations

- P Hear about opportunities and challenges
- P Create a to-do list, ideas
- L Opportunities and mitigate risk
  - \_ Shared guardrails
- L Alignment
  - Mixed income program
  - Policies re: toolkit (Budget)
- \_ Environmental equity
  - Talent, resources, communities, in aggregate
- P Ideas to leverage our strengths (in a world without subsidies)
- P Strategy and priorities in policy and agency mandates
- P Identify potential partners and partnerships
- P Tap into agency's resources/Braintrust

### Potential Partners

- Churches
- Public agencies
- Education, K-12, CC's
- Fed Home Loan Bank
- Housing authorities
- Insurance companies
- HUD/FHFA
- Philanthropy/Endowment(s)
- Local public agencies
- Banks
- Community Dev Financial Institutes
- Developers (transparency)
- Tech companies
- Healthcare orgs

### Goal/Outcomes

- 2.5M homes over 8 yrs
- 1M affordable homes (125k units per year)

### Challenges...

- L Openness
- L Resources (external and internal)
- L Balance
- L Markets
- L Bonds
- L Scarcity (competition)
- L Impact
- L Underproduction/Supply
- L Politics

**Opportunities...**

- Leverage our strengths → 5<sup>th</sup> largest economy, support for GO
- Leverage what we've become
- Bonds are our superpower
- Deepen opportunities in markets we're in and where we're not
- Values-driven → can find like-minded investors
- Governor's commitment
- Leverage balance sheet, AAA rating to tap into other resources
- Technical expertise
- (May have) more leeway → creativity allowed
- Next-level (gen) MIP-X

**BIG ideas...**

1. Attract capital markets
  - Pilot w/ churches, other public agencies
  - Pilot to tap untapped investors (IAO investors)
2. Tap and expand middle moderate market
  - Pilot entry level lending program for those underserved...
  - Lend to developers who will build...
    - Homes
      - Entry level
      - Middle market
    - Rental housing
  - The market/funding seed
3. Be catalyst for creating blueprint for building entry-level supply
4. Bonds and existing CalHFA resources to DPA (now homebuyers)
5. Create a secondary market for ADU loans
6. Commission study on market needs (via demographics) and models
7. Create a new loan product that uses bonds in a different way → new units (MIP-X)



## MEMORANDUM

**To:** Board of Directors **Date:** June 20, 2024

**From:** Rebecca Franklin, Director of Enterprise Risk Management and Compliance  
California Housing Finance Agency

**Subject:** Agenda Item 6 – Proposed FY 2024-25 Strategic Business Plan

### Action Item

CalHFA staff respectfully request the Board adopt Resolution No. 24-15.

### Background

In May 2023, the Board of Directors adopted the CalHFA Strategic Plan for the fiscal year 2023-24 to 2025-26. The plan focused on CalHFA's goals, measures, and objectives for the next three years as well as the annual key initiatives. The plan was formed in alignment with CalHFA's mission and vision and served to amplify the Agency's commitment and continuous efforts to serve low- and moderate-income Californians.

CalHFA's mission of **investing in diverse communities with financing programs that help more Californians have a place to call home**, helps focus its strategies and business decisions through these four goals:

1. **Lending Impact** - Focus lending activities on broadening access to affordable housing opportunities for a diverse population.
2. **Financial Sustainability** - Leverage opportunities and create innovative products that ensure financial sustainability and continue to serve the affordable housing market.
3. **Trusted Advisor** - Affirm CalHFA as a trusted housing finance advisor that understands the needs of California's diverse communities.
4. **Operational Excellence** - Invest in continuous improvement and cultivate an inclusive and highly qualified workforce.

For the upcoming Fiscal Year 2024-25, CalHFA continues to use these 3-year goals and objectives as a compass, while updating the annual initiatives to further support the Agency's ongoing intent to broaden its business and operations. For Fiscal Year 2024-25, CalHFA is particularly focusing on program strategies that will further reach California's diverse population and underserved communities, expanded business lines, deepen strategic partnerships, and increase operational efficiency.

## **ATTACHMENTS**

Proposed FY 2024-25 Strategic Business Plan

Resolution No. 24-15



CALIFORNIA HOUSING FINANCE AGENCY

# STRATEGIC PLAN

FISCAL YEARS 2023-24 TO 2025-26

FY 2024-25 Business Plan, Operating Revenues, & Budget





# Introduction



Greetings,

It is my pleasure to present the California Housing Finance Agency's (CalHFA) first three year Strategic Plan.

This is my ninth year in a leadership position at CalHFA, seven as a member of the Board of Directors before being appointed Executive Director by Governor Gavin Newsom in 2021, and I have always been pleased with the organization's culture of thoughtful and creative planning. I believe it has led CalHFA to successful outcomes in support of its mission to invest in diverse communities with financing programs that help more Californians have a place to call home, while maintaining fiscal prudence.

The 2023-26 Strategic Plan that is detailed on the following pages is meant to build on that success by providing overarching three-year goals and a blueprint to reach those goals through a progression of single-year initiatives and multiyear objectives.

My vision for this organization is to be a model affordable housing organization in the State of California and the most respected housing finance agency in the United States. While these are lofty goals, this Strategic Plan lays out a detailed roadmap to get there with trackable metrics along the way.

Sincerely,

**TIENA JOHNSON HALL**

*Executive Director*

California Housing Finance Agency



# Guiding Principles



## MISSION

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



## VISION

All Californians living in homes they can afford.

## CORE VALUES

**Accountable** – We are each responsible for actions, decisions, and quality of work.

**Impact** – We are committed to achieving equitable outcomes and opportunities.

**Integrity** – We behave with honest and ethical purpose in all decisions we make, and the work we do.

**Respect** – We treat all people with dignity and accept them for who they are.

**Teamwork** – We value the collective and individual contributions of our team and collaboration with our partners.





## GOAL 1

# Lending Impact

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



## Measures



1. Increase Single Family first mortgage dollar lending volume and number of loans 5% by 2026.
2. Increase Multifamily dollar lending volume, unit production, and conduit issuer volume 5% by 2026.

## OBJECTIVE 1

Maintain and expand culturally competent outreach to Californians ensuring broad access across racial, ethnic, gender, geographic, and affordability demographics.

### FY 2024–25 INITIATIVES

1. Explore demographic data collection methodologies and laws. Create guidelines for collecting and reporting consistent and inclusive demographic, geographic, and affordability data to support program needs and advance equitable outcomes for Agency lending.
2. Create an internal task force for an "Underserved Communities Outreach Campaign" to evaluate and develop opportunities to reach and communicate with these populations.
3. Create an outreach and education campaign that includes updating tribal leadership and housing contacts, introducing CalHFA, and highlighting the Tribal Consultation policy and resources available that may benefit the Tribes' homeownership and financing needs.
4. Co-host a listening session with Tribes to understand homeownership and financing needs and offer technical assistance to access resources available to tribes.

## OBJECTIVE 2

Expand Single Family program opportunities.

### FY 2024–25 INITIATIVES

1. Evaluate opportunities to increase first mortgage lending by completing studies to identify the total addressable market and competitiveness of CalHFA's program terms compared to competitors in each market segment.
2. Administer federal and state funded innovative programs addressing California's diverse housing needs.
3. Research alternative funding and bond execution strategies for single family lending that would provide more favorable terms for first time homebuyers.
4. Evaluate potential new product offerings, such as down payment assistance for conventional manufactured home loans, and coordinate with the Department of Housing and Community Development on potential synergies.
5. Research opportunities for Accessory Dwelling Unit (ADU) financing, given federal changes.
6. Explore potential shared appreciation loan product iterations and potential partnerships.

### Single Family Production Goals for Fiscal Year 2024–25

Finance \$2.27 billion in single family lending, serving 5,300 homebuyers	Volume	Fee Income	Homeowners
First mortgage securitization	\$2,000,000,000	\$17,500,000	5,300
Zero Interest Program (ZIP) closing cost assistance	\$1,500,000	–	–
MyHome down payment assistance	\$50,000,000	\$2,500,000	3,500
Dream for All down payment assistance	\$220,000,000	\$11,000,000	1,800
	<b>\$2,271,500,000</b>	<b>\$31,000,000</b>	<b>5,300</b>

## OBJECTIVE 3

Build the Multifamily portfolio through preservation of existing projects and expansion of new lending and subsidy opportunities.

### FY 2024–25 INITIATIVES

1. Identify multifamily lending alternatives that could be executed if State Tax Credits are no longer available to pair with MIP.
2. Participate in housing decarbonization workgroups with the Business, Consumer Services, and Housing Agency, along with other state teams, to explore and leverage potential federal funds available for multifamily housing development and preservation.
3. Continue to encourage the deployment of recycled bonds as a tax-exempt debt option.
4. Explore the development of preconstruction loan products for infill and adaptive reuse development.

## Multifamily Production Goals for Fiscal Year 2024–25

Finance \$2.48 billion in multifamily lending, investing in 3,772 units	Volume	Fee Income	Units
Conduit Issuance	\$1,458,637,522	\$1,568,421	1,510
Conduit Issuance (Recycled Bonds)	\$244,466,000	\$197,940	270
Permanent Loan Conversions	\$352,207,705	–	–
Permanent Loan Commitments	\$263,187,059	–	–
Mixed-Income Program (MIP) Subsidy Loan Commitments	\$45,800,000	\$3,210,000	1,992
Mixed-Income Program (MIP) Subsidy Loan Conversions	\$111,407,284	\$3,367,301	–
	<b>\$2,475,705,570</b>	<b>\$8,343,662</b>	<b>3,772</b>



## GOAL 2

# Financial Sustainability

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



### Measures



1. Maintain risk-adjusted rate of return on restricted assets.
2. Identify and implement new revenue generating strategies.
3. Grow the Agency's balance sheet, increasing total assets by 5% by 2026.
4. Maintain financial liquidity with a minimum of 20% of net assets as short-term investments.

## OBJECTIVE 1

Evaluate and establish new revenue generating business lines with targeted rates of return.

### FY 2024–25 INITIATIVES

1. Explore opportunities to partner with local public agencies to support the development and operation of affordable multifamily housing in California.
2. Engage an external vendor to conduct a study of the statutory, financial, and other features of other HFAs to identify new strategies or changes to enable affordable housing opportunities.

## OBJECTIVE 2

Grow the Agency's balance sheet, preserve liquidity, and fund operating and financial risk reserves.

### FY 2024–25 INITIATIVES

1. Create financial roadmap for CalHFA that leverages the Agency's two indentures to create long-term operating stability.
2. Identify potential avenues for financing alternatives through participation in national conversation with Federal Housing Finance Agency and regional conversations with Federal Home Loan Banks –San Francisco.

## OBJECTIVE 3

Achieve and maintain CalHFA Issuer Ratings of "Aa2" rating from Moody's Investors Service and "AA" rating from S&P Global Ratings.

### FY 2024–25 INITIATIVES

1. Provide quarterly exception reporting on key financial metrics to the Agency's Investment and Debt Management Committee, including:
  - Return on total assets
  - Net interest margin
  - Equity to assets ratio
2. Conduct annual review and propose updated fees and pricing for all Single Family and Multifamily programs to ensure that each program is financially sustainable and meets net revenue targets.



## GOAL 3

# Trusted Advisor

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



### Measures



1. Increase public presence and publications 10% by 2026.
2. Partner, fund, and/or participate in housing finance data analytics reports.
3. Receive industry recognition and/or awards for CalHFA specific programs.

## OBJECTIVE 1

Increase our understanding of community needs and systemic biases within our housing finance ecosystems and have findings inform program implementation.

### FY 2024–25 INITIATIVES

1. Develop a Stakeholder Engagement Plan, beginning by identifying and organizing CalHFA's affordable housing stakeholder ecosystem.
2. Conduct a community and business partner needs study in the homeownership field to identify existing gaps and potential innovative product offerings.

## OBJECTIVE 2

Increase activities and partnerships to strengthen trust with external partners and general public.

### FY 2024–25 INITIATIVES

1. Engage with academic/research organization(s) to identify avenues to increase housing production to support state priorities and needs, and to evaluate potential CalHFA roles in catalyzing housing supply.
2. Develop and publish a 'year-end accomplishments report' to tell CalHFA's story and highlight accomplishments and successes.
3. Leverage the best practices from the Mortgage Relief Program to inform the development of in-house community outreach strategies and tactics.



## GOAL 4

# Operational Excellence

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



### Measures



1. Implement informed decision-making tools and processes.
2. Increase CalHFA's Great Place to Work certification score 5% by 2026.
3. Fill 80% of all key positions.

## OBJECTIVE 1

Embed diversity, equity, accessibility, and inclusion practices.

### FY 2024–25 INITIATIVES

1. Explore and identify new initiatives to add to and update CalHFA's Racial Equity Action Plan (REAP).
2. Conduct two DEI trainings for all staff.
3. Improve vendor diversity in purchasing and contracting processes.

## OBJECTIVE 2

Attract highly qualified talent.

### FY 2024–25 INITIATIVES

1. Develop Asset Management staffing needs for managing MIP related Loan Portfolio.
2. Identify hard-to-fill classifications/positions and develop a strategy for improving recruitment for these classifications/positions.

### OBJECTIVE 3

Retain highly qualified talent.

#### FY 2024–25 INITIATIVES

1. Increase recognition of staff contributions, especially through the Employee Recognition Program.
2. Celebrate achievements and milestones, such as CalHFA's 50th Anniversary.

### OBJECTIVE 4

Innovate and streamline business processes to increase operational efficiency and service delivery.

#### FY 2024–25 INITIATIVES

1. Establish a Data Governance Council and develop the enterprise data reporting and glossary.
2. Establish a standardized cost-benefit analysis methodology to prioritize projects and investments.
3. Expand Asset Management processes, policies, and procedures to address the growth of MIP-related permanent loans.
4. Align Agency operating budget processes with Government Finance Officers Association best practices.
5. Develop a mortgage professionals' partner enews list to improve communications on updates for processing CalHFA loans.

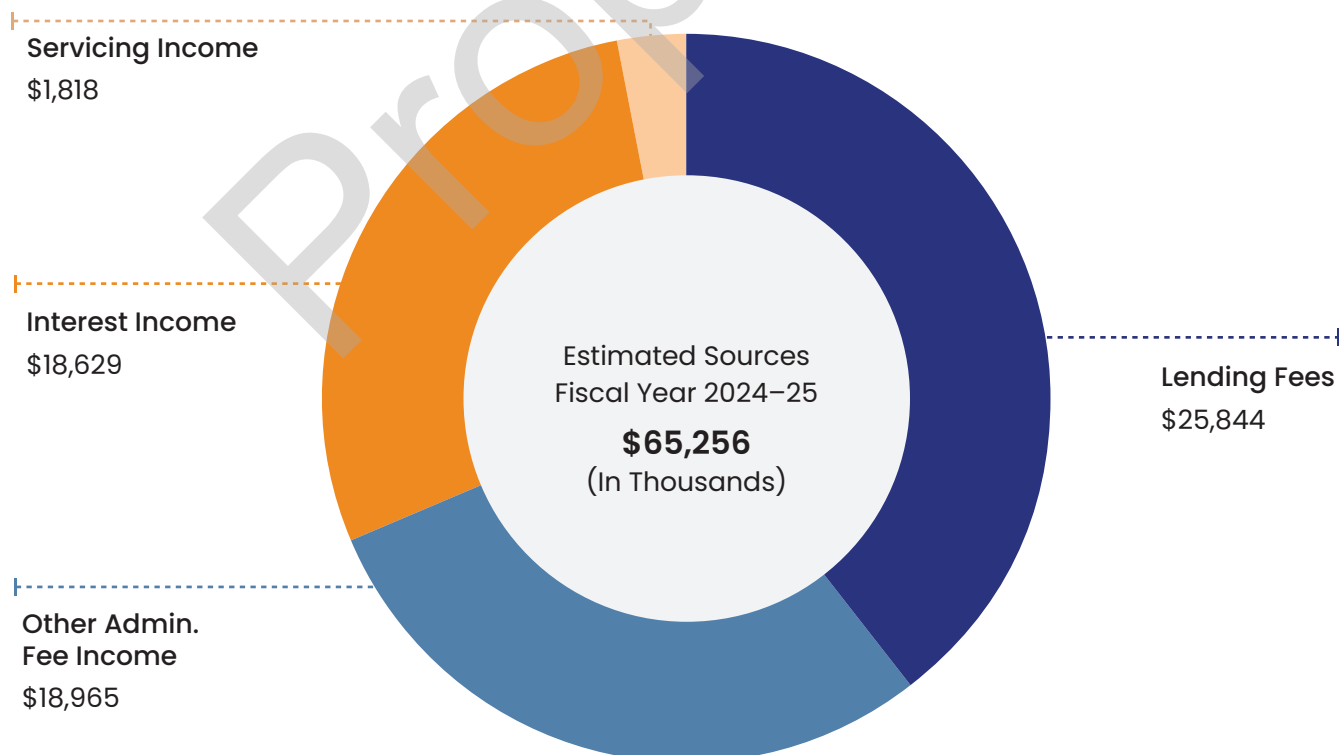




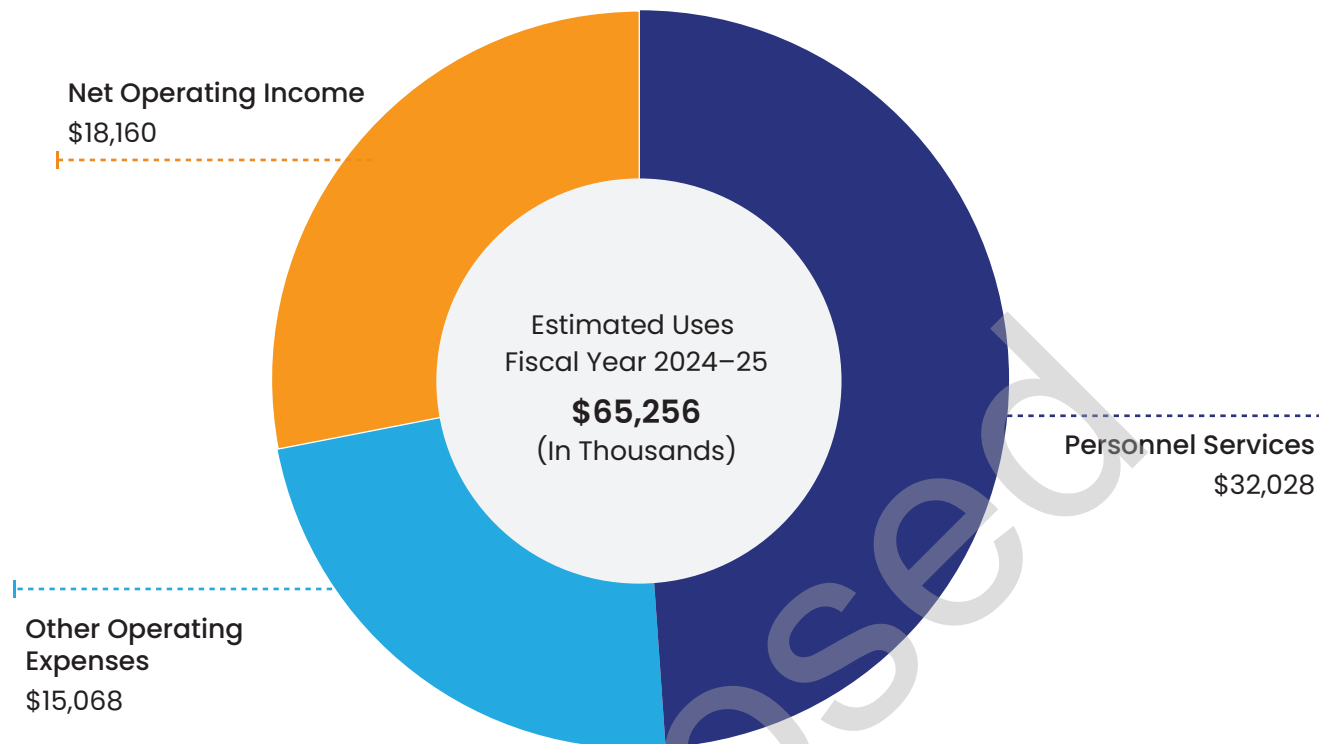
# FY 2024–25 Operating Budget

## OPERATING REVENUES

CALIFORNIA HOUSING FINANCE AGENCY			
FISCAL YEAR 2024–25 REVENUE BUDGET (IN THOUSANDS)			
Single Family Lending		Multifamily Lending	
Lending Fees	\$17,500	Lending Fees	\$8,344
Administration Fees	\$13,500	Administration Fees	\$5,465
Interest	\$6,098	Interest	\$12,531
Loan Servicing	\$360	Loan Servicing	\$1,458
<b>TOTAL</b>	<b>\$37,458</b>	<b>TOTAL</b>	<b>\$27,798</b>
		<b>TOTAL EST. REVENUES</b>	<b>\$65,256</b>



## OPERATING EXPENDITURES



The Agency proposes operating expenditures of \$47.1 million, representing the budget required to support the Agency's business plan for fiscal year 2024–25. The proposed operating budget reflects an increase in expenditures compared with the prior fiscal year. The largest dollar change is attributable to the general increase in salaries and benefits for employees and the funding of positions to achieve strategic plan objectives. In addition, the CalHFA Board has identified enterprise risk management as one of the key areas of focus for the Agency in 2024–25.

In alignment with the multi-year strategic plan, the 2024–25 operating budget seeks to deliver impactful results that also maintain CalHFA's financial sustainability.

As a self-funded State agency, CalHFA's management philosophy remains centered in accountability and efficiency. The Agency's business lines continue to effectively deliver our lending products throughout California. The agency's other operational divisions provide essential support to achieve CalHFA's mission.

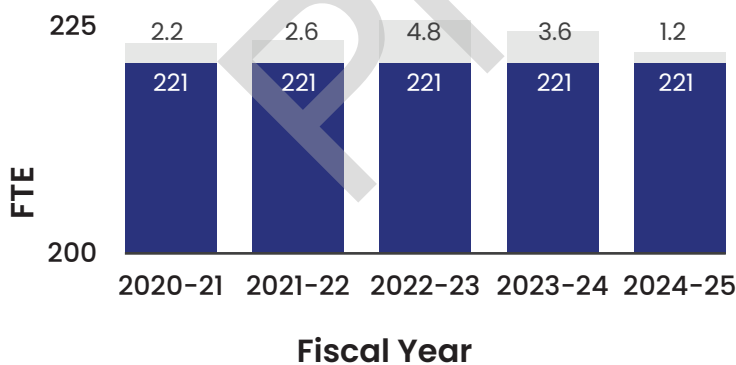
Overall this 2024–25 budget provides CalHFA with the flexibility to address the current uncertainty in the affordable housing and financial markets.

## CALIFORNIA HOUSING FINANCE AGENCY

FISCAL YEAR 2024–25 OPERATING EXPENDITURES  
(IN THOUSANDS)

	FY2022–23 Actuals	FY2023–24 Est. Actuals	FY2023–24 Approved Budget	FY2024–25 Proposed Budget	YoY Budget Change (\$)	YoY Change (%)
<b>Operating Expenditures</b>						
Salaries and Benefits (Incl. Temp)	\$25,232	\$28,441	\$30,690	\$32,028	\$1,338	4%
Consulting and Professional Services	1,787	3,094	4,358	4,911	553	13%
General Expenses	586	494	722	777	55	8%
Communications	240	253	480	422	(58)	-12%
Travel	250	272	528	390	(138)	-26%
Training	65	107	251	267	16	6%
Facilities	2,850	2,630	2,609	3,122	513	20%
Central Admin. Services	1,989	2,007	2,008	2,328	320	16%
Information Technology	1,364	2,107	1,799	2,416	617	34%
Equipment	28	734	366	435	69	19%
<b>Operating Expenditures</b>	<b>\$34,391</b>	<b>\$40,139</b>	<b>\$43,811</b>	<b>\$47,096</b>	<b>\$3,285</b>	<b>7%</b>

## STAFFING



For the fiscal year 2024–25, the Agency proposes that authorized full-time equivalent positions of 222.2 FTEs (221 permanent positions and 1.2 temporary positions) represent a decrease of 2.4 FTEs in temporary positions.

■ Regular FTE    ■ Temporary FTE



**CALIFORNIA HOUSING FINANCE AGENCY**

500 Capitol Mall, Suite 1400

Sacramento, CA 95814

916.326.8000

[www.CalHFA.ca.gov](http://www.CalHFA.ca.gov)

1 BOARD OF DIRECTORS  
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY  
3

4 RESOLUTION NO. 24-15  
5 RESOLUTION AUTHORIZING THE UPDATED AGENCY STRATEGIC PLAN  
6 FOR FISCAL YEARS 2024-2025  
7

8 WHEREAS, pursuant to the Zenovich-Moscone-Chacon Housing and Home  
9 Finance Act (“Act”), the California Housing Finance Agency (“Agency”) has the authority  
10 to engage in activities to reduce the cost of mortgage financing for home purchase and rental  
11 housing development, including the issuance of bonds;  
12

13 WHEREAS, the Agency’s statutory objectives include, among others, increasing the  
14 range of housing choices for California residents, meeting the housing needs of persons and  
15 families of low or moderate income, maximizing the impact of financing activities on  
16 employment and local economic activity, and implementing the objectives of the California  
17 Statewide Housing Plan;  
18

19 WHEREAS, California is experiencing market volatility spurred by inflation,  
20 macroeconomic disruption, rising interest rates, and a dearth of affordable housing supply;  
21

22 WHEREAS the Agency must responsibly manage real estate related risk and  
23 liquidity for operating expenses and financial obligations;  
24

25 WHEREAS, the Agency has previously presented to the Board of Directors a  
26 Strategic Plan, for fiscal years 2023-2026, with its goals, objectives and measures of success  
27 designed to assist the Agency in meeting its financial obligations, its statutory objectives,  
28 and support the housing needs of the people of California. This strategic, longer-term road  
29 map was formed in alignment with CalHFA’s vision and mission, to articulate the Agency’s  
30 commitment and continuous efforts to serve the diverse communities of California, and to  
31 continue as a leading affordable housing lender providing bond financing and mortgage  
32 financing well into the future;  
33

34 WHEREAS, the Agency presented to the Board of Directors an updated Strategic  
35 Plan for fiscal year 2024-2025 with its goals, objectives and measures of success aligned to  
36 assist the Agency in meeting its financial obligations, its statutory objectives, and support  
37 the housing needs of the people of California in light of the changes in market conditions.  
38

39 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Agency  
40 as follows:  
41

42 1. The updated 2024-2025 Strategic Plan, as presented by the written presentation  
43 attached hereto and made a part hereof, and any additional presentations made at the  
44 meeting, is hereby fully endorsed and adopted. The Board further instructs staff to explore  
45 the following initiatives:

- 46 a.  
47 b.  
48 c.

1 (If the Board elects no additional initiative exploration, insert the word “none”  
2 above.) Any parts of the 2023-2026 Strategic Plan not changed by the updated 2024-2025  
3 Strategic Plan continue to be fully endorsed and adopted, as demonstrated by Resolution 23-  
4 08.

5  
6 2. In implementing the Strategic Plan, the Agency shall strive to satisfy all the  
7 capital adequacy, liquidity reserve, credit and other reserve and any other requirements  
8 necessary to maintain the Agency’s general obligation credit ratings and the current credit  
9 ratings on its debt obligations, to comply with the requirements of the Agency’s providers  
10 of credit enhancement, liquidity, and interest rate swaps and to satisfy any other requirements  
11 of the Agency’s bond and insurance programs.

12  
13 3. The Strategic Plan is necessarily based on various economic, fiscal and legal  
14 assumptions. Therefore, for the Agency to respond to changing circumstances, and subject  
15 to the provisions of Resolution 11-06, the Executive Director shall have the authority to  
16 adjust both the Agency’s day-to-day activities to reflect actual economic, fiscal and legal  
17 circumstances, and budget appropriations among cost categories to attain goals and  
18 objectives consistent with the intent of the Strategic Plan.

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21 Attachment  
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## 1 SECRETARY'S CERTIFICATE

2  
3 I, Marc Victor, the undersigned, do hereby certify that I am the duly authorized  
4 Secretary of the Board of Directors of the California Housing Finance Agency, and hereby  
5 further certify that the foregoing is a full, true, and correct copy of Resolution No. 24-15  
6 duly adopted at a regular meeting of the Board of Directors of the California Housing  
7 Finance Agency duly called and held on the 20th day of June, 2024, at which meeting all  
8 said directors had due notice, a quorum was present and that at said meeting said resolution  
9 was adopted by the following vote:

10  
11 AYES:

12  
13 NOES:

14  
15 ABSTENTIONS:

16  
17 ABSENT:

18  
19 IN WITNESS WHEREOF, I have executed this certificate hereto this 20th day of  
20 June 2024.

21  
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23 ATTEST:

24 \_\_\_\_\_  
25 Marc Victor  
26 Secretary of the Board of Directors of the California  
27 Housing Finance Agency  
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## MEMORANDUM

**To:** Board of Directors **Date:** June 20, 2024

**From:** Erwin Tam, Director of Financing  
California Housing Finance Agency

**Subject:** Agenda Item 7 - FY2024-25 Proposed Operating Budget

### Background

In May 2023, the CalHFA Board of Directors approved the FY2023-26 Strategic Plan and one-year Business Plan and Operating Budget.

Earlier in this meeting, the Board is being asked to consider the FY2024-25 Business Plan which contains initiatives supporting the Strategic Plan. The proposed FY2024-25 Operating Budget allocates the financial resources of the Agency to achieve those initiatives, in support of the overall Strategic Plan.

CalHFA began the FY2024-25 Business Plan and Operating budget development process in February 2024. Inclusive of the May Revision, CalHFA is aware of the impact of the State's volatile revenues and the effect on the availability of General Fund sources over the next two fiscal years. As such, the proposed FY2024-25 budget has been modified significantly to achieve operational savings while maintaining flexibility for the Agency to support Business Plan initiatives.

Under the California Health and Safety Code, CalHFA's policy is to conduct its operations to be fiscally self-sufficient.



## Proposed Budget & Three Year Budget Summary

The following table provides a summary of the Agency's operations including actuals for FY2022-23 through the proposed budget for FY2024-25. Amounts shown are in thousands of dollars.

	FY2022-23 Actuals	FY2023-24 Est. Actuals	FY2023-24 Approved Budget	FY2024-25 Proposed Budget	YoY Budget Change (\$)	YoY Change (%)
<b>Operating Revenue</b>						
<b>Single Family Lending</b>						
Lending Fees	\$33,207	\$27,290	\$18,799	\$17,500	(\$1,299)	-7%
Administration Fees	14,866	7,781	3,910	13,500	9,590	245%
Interest	6,091	7,992	6,970	6,098	(872)	-13%
Loan Servicing	521	536	485	360	(125)	-26%
Sub-Total Single Family	\$54,684	\$43,599	\$30,164	\$37,458	\$7,294	24%
<b>Multifamily Lending</b>						
Lending Fees	\$7,832	\$7,038	\$9,169	\$8,544	(\$625)	-7%
Administration Fees	7,623	6,139	3,814	5,465	1,651	43%
Interest	13,286	16,253	12,802	12,531	(271)	-2%
Loan Servicing	1,461	1,414	1,309	1,458	149	11%
Sub-Total Multifamily	30,201	30,844	27,094	27,998	904	3%
<b>Total Operating Revenue</b>	<b>\$84,885</b>	<b>\$74,443</b>	<b>\$57,258</b>	<b>\$65,456</b>	<b>\$8,198</b>	<b>14%</b>
<b>Operating Expenditures</b>						
Salaries and Benefits (Incl. Temp)	\$25,232	\$28,441	\$30,690	\$32,028	\$1,338	4%
Consulting and Professional Services	1,787	3,094	4,358	4,911	553	13%
General Expenses	586	494	722	777	55	8%
Communications	240	253	480	422	(58)	-12%
Travel	250	272	528	390	(138)	-26%
Training	65	107	251	267	16	6%
Facilities	2,850	2,630	2,609	3,122	513	20%
Central Admin. Services	1,989	2,007	2,008	2,328	320	16%
Information Technology	1,364	2,107	1,799	2,416	617	34%
Equipment	28	734	366	435	69	19%
<b>Total Operating Expenses</b>	<b>\$34,391</b>	<b>\$40,139</b>	<b>\$43,811</b>	<b>\$47,096</b>	<b>\$3,285</b>	<b>7%</b>
<b>Net Operating Revenue</b>	<b>\$50,494</b>	<b>\$34,305</b>	<b>\$13,447</b>	<b>\$18,360</b>	<b>\$4,913</b>	<b>37%</b>

## Budget Development & Reductions

	FY2024-25 Original Proposed Budget	FY2024-25 Final Proposed Budget	Difference	Difference (%)
<b>Operating Expenditures</b>				
Salaries and Benefits (Incl. Temp)	\$37,399	\$32,028	(\$5,371)	-14%
Consulting and Professional Services	5,446	4,911	(535)	-10%
General Expenses	777	777	0	0%
Communications	422	422	0	0%
Travel	541	390	(151)	-28%
Training	267	267	0	0%
Facilities	3,122	3,122	0	0%
Central Admin. Services	2,328	2,328	0	0%
Information Technology	2,455	2,416	(39)	-2%
Equipment	435	435	0	0%
<b>Total Operating Expenses</b>	<b>\$53,192</b>	<b>\$47,096</b>	<b>(\$6,096)</b>	<b>-11%</b>

CalHFA's FY2024-25 budget process began in February 2024. The table illustrates the proposed operating expenditures, which totaled \$53.2 million. From that point, the Agency's budget was reduced through the reduction in personnel requests of \$5.4 million or 14%, consulting budget by \$0.5 million or 10% and travel by \$0.2 million or 28%. In total, CalHFA's final proposed budget was reduced by 11% or \$6.1 million for fiscal year 2024-25.

### Authorized Position Changes for FY2024-25

The FY24-25 Operating Budget authorizes 221 full-time equivalent positions for CalHFA, which is the same as the prior year. Of the 221 full-time equivalent authorization, eight (8) positions were reclassified to achieve the following Strategic Plan goals.

<b>Strategic Plan Goal</b>	<b>Reclassified Positions</b>
Goal 1: Lending Impact	3 (Production – Single Family Programs)
Goal 4: Operational Excellence	4 (Operations – ERM) 1 (Finance – Financing)
<b>Total</b>	<b>8</b>

## **Operating Revenues**

CalHFA's operating revenues are generated by its lending activities from its Single Family Programs and Multifamily Programs.

- Revenue from single family programs is budgeted to increase by \$7.3 million to \$37.4 million or 24%. Lending fees from securitization from first-lien mortgages is projected to decrease by \$1.3 million to \$17.5 million or 7%.
- Multifamily programs revenue is budgeted to increase by \$0.7 million to \$28.0 million or 3%. Lending fee revenue is budgeted to decrease by \$0.8 million. This is primarily driven by a new methodology to determine estimated conduit bond revenue.
- Total operating revenues are budgeted to increase by \$8.0 million to \$65.3 million or 18%.

As stated in the Agency's annual comprehensive financial report, CalHFA's programs are subject to macroeconomic factors outside of its control. These factors include, but are not limited to: economic growth, employment rates, and inflation which in turn affect the supply and demand for housing in California.

## **Operating Expenditures**

CalHFA's operating expenses are budgeted to increase by \$3.3 million to \$47.1 million or 8%. The changes within each expenditure category are as follows:

### **Personnel Services**

Personnel costs are the largest component of the Agency's operating budget. As a State agency, CalHFA's personnel costs increase in line with contracts with individual bargaining units with the State. For most CalHFA employees, this means a 3.0% general

salary increase as of July 1, 2024. Exempt employees at CalHFA do not receive a general salary increase. In addition, CalHFA employees may be eligible for a 5.0% merit salary increase at their anniversary date, provided the employee is not at the maximum salary for their job classification. Benefits are also increasing at a rate higher than salaries. For FY2024-25, the Agency's personnel budget is proposed to increase by 4.0% or \$1.3 million to \$32.0 million.

### **Consulting and Professional Services**

Consulting and Professional Services are the second highest operating expenses of the Agency. CalHFA uses professional services contracts to implement information technology solutions and to serve as external legal counsel, including as Bond and Disclosure Counsel for the Agency's debt issuances (both parity bonds and conduit bonds). Professional services also include but are not limited to: external auditors for the Agency's annual financial report, marketing and outreach, and for program delivery. Consulting contracts are budgeted to increase by 13% or \$0.6 million to \$4.9 million.

### **Facilities Operation**

Facilities include the Agency's headquarters in Sacramento and assumed increases in lease rates. This also includes a potential expansion of the Agency's office space. Facilities operation is budgeted to increase by 20% or \$0.5 million to \$3.1 million.

### **Information Technology**

The Information Technology line item includes information security software, systems maintenance, and small equipment purchases. In aggregate, information technology is budgeted to increase by 34% or \$0.6 million to \$2.4 million.

### **Central Administrative Services (Pro Rata)**

This is the proportionate share of the State's administrative costs which is determined by the Agency's overall staffing level as compared to all State employees. This line item is budgeted to increase by 16% or \$0.3 million to \$2.3 million.

## **General Expenses**

General expense include storage, maintenance, and office supplies and materials. Memberships and subscriptions are also included in general expenses. General expenses are budgeted to increase by 8% or \$55,000 to \$777,000.

## **Equipment, Communications, Travel, and Training**

All four categories are reported separately, but each are less than 1% of the Agency's total budgeted operating expenditures.

- Equipment includes major informational technology equipment purchases. This line item is budgeted to increase by 19% or \$69,000 to \$435,000.
- Communications includes postage, telephones, and conference/meeting space. This line item is budgeted to decrease by 12% or \$58,000 to \$422,000.
- Travel includes both in-state and out-of-state travel. In alignment with guidance by the Department of Finance, CalHFA has made significant efforts to identify non-essential travel. Budgeted travel expenditures decreased by 26% and are \$138,000 lower, down to \$390,000.
- Training is budgeted to increase by 6% or \$16,000 to \$267,000.

## **Net Operating Income**

Net operating income for FY2024-25 is budgeted at \$18.2 million. Net income for this fiscal year will in part be allocated to operating reserves for the California Dream For All Program. Revenue from this program is received up-front and expenditures, including servicing, are incurred annually for the life of the loan (up to 30-years). In addition, net operating income is used to support future operations, fund loan loss reserves, and future program development.

## **Credit Ratings**

The Agency's credit ratings are an external party's assessment of the Agency's financial health as well as its leadership and management. Part of the financial analysis includes

review of the Agency's operations. CalHFA is currently rated "Aa2" by Moody's Investors Service and "AA" by S&P Global Ratings.

#### **ATTACHMENTS**

- A.** Operating Budget Resolution 24-16

## RESOLUTION NO. 24-16

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY  
AUTHORIZING THE AGENCY OPERATING BUDGET FOR FISCAL YEAR 2024-2025

WHEREAS, the Board of Directors of the California Housing Finance Agency (the “Board”) has reviewed the proposed operating budget for the 2024-2025 fiscal year;

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. The operating budget attached hereto is hereby approved for operations of the California Housing Finance Fund for the 2024-2025 fiscal year.

Section 2. The Executive Director is hereby authorized to adjust budget appropriations between cost categories and divisions to attain goals and objectives within the intent of the adopted Business Plan for the 2024-2025 fiscal year.

Attachment

## SECRETARY'S CERTIFICATE

I, Marc Victor, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 24-16 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 20th day of June, 2024 at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 20<sup>th</sup> day of June, 2024.

ATTEST:

\_\_\_\_\_  
Marc Victor  
Secretary of the Board of Directors of the  
California Housing Finance Agency



April 29, 2024

CALIFORNIA HOUSING FINANCE AGENCY  
2024-25  
CALHFA FUND OPERATING BUDGET  
(IN THOUSANDS)

<u>EXPENDITURE ITEM</u>	<u>Adopted Budget 2022-23</u>	<u>Actual 2022-23</u>	<u>Adopted Budget 2023-24</u>	<u>Proposed Budget 2024-25</u>
PERSONAL SERVICES				
Salaries and Wages	\$17,984	\$16,254	\$19,803	\$21,227
Benefits	9,810	8,739	10,561	10,621
Anticipated Salaries and Wages and Benefits	<u>\$27,794</u>	<u>\$24,993</u>	<u>\$30,364</u>	<u>\$31,848</u>
Temporary Help	334	174	247	0
Students/Retired Annuitants	334	174	247	98
Contract	0	0	0	0
Overtime	58	65	79	82
TOTALS, Personal Services	<u>\$28,186</u>	<u>\$25,232</u>	<u>\$30,690</u>	<u>\$32,028</u>
OPERATING EXPENSES AND EQUIPMENT				
General Expense	903	586	722	777
Communications	419	240	480	422
Travel	456	250	528	390
Training	223	65	251	267
Facilities Operation	2,941	2,850	2,609	3,122
Consulting & Professional Services	4,584	1,787	4,358	4,911
Central Admin. Serv.*	2,024	1,989	2,008	2,328
Information Technology	2,089	1,364	1,799	2,416
Equipment	155	28	366	435
TOTALS, Operating Expenses and Equipment	<u>\$13,794</u>	<u>\$9,159</u>	<u>\$13,121</u>	<u>\$15,068</u>
<b>TOTALS, EXPENDITURES</b>	<b><u>\$41,980</u></b>	<b><u>\$34,391</u></b>	<b><u>\$43,811</u></b>	<b><u>\$47,096</u></b>

\*Represents CalHFA's allocated share of the State's central administrative costs.

April 29, 2024

CALIFORNIA HOUSING FINANCE AGENCY  
2024-25

SUMMARY  
PERSONNEL YEARS AND DIVISION BUDGETS

DIVISION	PERSONNEL YEARS			DIVISION BUDGET AMOUNTS		
	Actual 2022-23	Adopted Budget 2023-24	Proposed Budget 2024-25	Actual 2022-23	Adopted Budget 2023-24	Proposed Budget 2024-25
BOARD MEMBERS	0.0	0.0	0.0	\$24,605	\$115,200	\$92,255
EXECUTIVE OFFICE	4.7	8.0	5.0	\$1,637,381	\$2,405,894	\$1,796,516
ERM & C	4.1	6.0	12.0	\$648,190	\$1,230,628	\$2,022,369
ADMINISTRATION	14.3	19.0	16.0	\$2,039,970	\$3,012,136	\$2,810,154
FINANCING	6.8	11.0	11.0	\$1,195,754	\$1,923,686	\$2,057,722
FISCAL SERVICES	26.6	32.0	32.0	\$4,322,517	\$5,393,187	\$5,536,726
GENERAL COUNSEL	12.3	15.0	13.0	\$2,788,562	\$3,706,429	\$3,350,578
MARKETING	7.6	9.0	9.0	\$1,644,488	\$2,315,753	\$2,626,874
I.T.	20.2	31.0	29.0	\$5,903,300	\$8,097,305	\$9,161,031
SINGLE FAMILY LENDING	38.9	44.0	47.0	\$6,602,794	\$7,521,921	\$7,866,785
MULTIFAMILY / ASSET MGMT	33.6	46.0	40.0	\$6,176,843	\$7,831,734	\$7,907,301
INDIRECT COST POOL/TEMPS	3.0	3.6	8.2	\$1,406,922	\$1,959,355	\$1,867,855
TOTAL PYS AND BUDGET AMOUNTS	172.1	224.6	222.2	\$34,391,326	\$43,810,551	\$47,096,166

CalHFA FY 2024-25 Out of State Travel											
Mission Critical Travel	Trip Number	Division	Date of event (If known)	Destination	# of Exempt Employees Attending	# Board Members Attending *	# of Non-Exempt Employees Attending (Excluded and Represented Employees)	Individual Trip Cost	Projected Cost (including airfare, rental car, meals, etc.)	Justification (i.e. Mission Critical; List benefits to the Dept.; Auditing; Litigation Related; Function required by statute, contract, or executive directive; NCSHA Sponsored Meetings; Meetings with Rating Agencies, GSE's; Lender Trainings )	Impact if Denied
2024 NCSHA Annual Conference	1	Agency Wide	Sep 28- Oct 1, 2024	Phoenix, AZ	9	1	2	\$ 3,000.00	\$ 36,000.00	Mission critical annual meeting with national HFAs regarding professional development in various housing related program areas including communications, finance, governance, legal, human relations, information technology, management, homeownership, rental and special needs housing. The training sessions offered are multi-disciplinary and sending only one representative to attend multiple sessions is not possible. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Loss of cost savings and efficiencies for not meeting business partners in one location, resulting in the inability to collaborate and strengthen lending products for affordable housing initiatives with HFAs across the country.
2025 NCSHA HFA Institute	2	Agency Wide	January 7-12, 2025	Washington, DC	5	1	0	\$ 3,000.00	\$ 18,000.00	Mission critical event designed to strengthen understanding of program fundamentals and explore advanced techniques for administering various housing programs and initiatives. The training sessions offered are multi-disciplinary and sending only one representative to attend multiple sessions is not possible. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Loss of opportunity to obtain in-depth instruction on essential HFA programs.
2025 NCSHA Legislative Conference	3	Agency Wide	March 10-12, 2025	Washington, DC	4	1	0	\$ 3,400.00	\$ 17,000.00	To receive mission critical current updates on legislative and regulatory activities and priorities, industry perspectives, and the solutions to the latest issues and challenges, and to collaborate with experienced HFA practitioners, Congressional and Federal staff, and noted industry leaders through events and roundtable sessions. The training sessions offered are multi-disciplinary and sending only one representative to attend multiple sessions is not possible. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Loss of cost savings and efficiencies for not meeting business partners in one location, resulting in the inability to strengthen understanding in common and shared affordable housing initiatives with HFAs and key Federal and Congressional leaders.
NCSHA Executive Development Seminar	4	Exec, Financing	November 3-8, 2024	Indiana University Bloomington, Indiana	2	0	0	\$ 3,000.00	\$ 6,000.00	Annual executive development program. Topics covered in the seminar include mission critical transformational strategies and identifying growth opportunities, change management, improved decision making, negotiation and conflict management, building high performance teams and situational leadership. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Failure to provide executive management with high level training regarding organizational transformation, change management and organizational performance.

CalHFA FY 2024-25 Out of State Travel											
Mission Critical Travel	Trip Number	Division	Date of event (If known)	Destination	# of Exempt Employees Attending	# Board Members Attending *	# of Non-Exempt Employees Attending (Excluded and Represented Employees)	Individual Trip Cost	Projected Cost (including airfare, rental car, meals, etc.)	Justification (i.e. Mission Critical; List benefits to the Dept.; Auditing; Litigation Related; Function required by statute, contract, or executive directive; NCSHA Sponsored Meetings; Meetings with Rating Agencies, GSE's; Lender Trainings )	Impact if Denied
NCSHA Housing Credit Connect	5	Exec, Financing, Marketing, Multifamily	June 24-27, 2025	Chicago, IL	4	0	0	\$ 3,000.00	\$ 12,000.00	Mission critical annual meeting with national HFAs regarding low income housing tax credits, including legislative updates, industry expert meetings, IRS regulation changes, and policy discussions. The training sessions offered are multi-disciplinary and sending only one representative to attend multiple sessions is not possible. This event is a function required by statute, contract, or executive directive.	Failure to obtain critical information on changes to Multifamily low income housing tax credits, including any legislative core related financing methods.
NCSHA Executive Directors Workshop	6	Executive, Multifamily	July 20-23, 2024	Kansas City, MO	2	0	0	\$ 3,000.00	\$ 6,000.00	Mission critical annual meeting with national HFA Executive Directors regarding low income housing tax credits, including legislative updates, industry expert meetings, IRS regulation changes, and policy discussions. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Failure to obtain critical information on changes to Multifamily low income housing tax credits, including any legislative ore related financing methods.
NCSHA Special Board of Director's Meeting	7	Executive	December 8-10, 2024	Washington, DC	2	0	0	\$ 3,000.00	\$ 6,000.00	Provide mission critical guidance as a member of the Board of Directors to NCSHA member HFA's on ways to better serve low and moderate income neighborhoods and residents across the country. This event is a function required by statute, contract, or executive directive.	Loss of cost savings and efficiencies for not meeting business partners in one location, resulting in the inability to collaborate and strengthen lending products for affordable housing initiatives.
West Coast HFA Meet Up	8	Exec	TBD	TBD	1	0	2	\$ 2,500.00	\$ 7,500.00	Annual mission critical meeting with Western States HFA's. This training event is designed to strengthen the understanding of regional issues in various housing related program areas which are common to our region. Work on regional issues / solutions by partnering with sister HFA in cost sharing ventures. This event is a function required by statute, contract, or executive directive.	Loss of cost savings and efficiencies for not meeting business partners in one location, resulting in the inability to collaborate and strengthen lending products for affordable housing initiatives with HFAs across the country.
Fannie Mae's HFA Institute 2025	9	Exec, Single Family	January 12-17, 2025	Washington, DC	2	0	0	\$ 3,000.00	\$ 6,000.00	Required by federal partners. To obtain mission critical information on Fannie Mae's HFA Preferred Program (A NCSHA sponsored HFA Conference). Requests by the federal government to appear before committees.	Not attending could jeopardize CalHFA's participation in Fannie Mae's HFA Preferred Program.
Rating Agency Visit	10	Executive, Finance, Multifamily	TBD	New York, NY	3	0	0	\$ 3,000.00	\$ 9,000.00	Mission critical required annual management review with Moody's. This event is a function required by statute, contract, or executive directive.	Potential negative comments on Agency management. Failure to educate rating agencies regarding specific business risks that influence our ratings on debt issuance.
Federal Financing Bank HUD Risk-Share Program Meeting	11	Executive	TBD	Washington, DC	2	0	0	\$ 3,000.00	\$ 6,000.00	Mission critical meeting with HUD, US Treasury, and the Federal Financing Bank on the Agency's major primary housing program, the FFB Risk-Share loan program. Requests by the federal government to appear before committees.	Failure to meet with CalHFA's partners in this unique HFA financing tool could result in lowered lending production at higher financing rates

CalHFA FY 2024-25 Out of State Travel											
Mission Critical Travel	Trip Number	Division	Date of event (If known)	Destination	# of Exempt Employees Attending	# Board Members Attending *	# of Non-Exempt Employees Attending (Excluded and Represented Employees)	Individual Trip Cost	Projected Cost (including airfare, rental car, meals, etc.)	Justification (i.e. Mission Critical; List benefits to the Dept.; Auditing; Litigation Related; Function required by statute, contract, or executive directive; NCSHA Sponsored Meetings; Meetings with Rating Agencies, GSE's; Lender Trainings )	Impact if Denied
MBA National Technology in Mortgage Banking Conference	12	I.T.	TBD	TBD	1	0	0	\$ 2,750.00	\$ 2,750.00	Mission critical training on all of the emerging technologies, the impact of new regulations, vendor solutions, and to connect with vendors and industry experts related to mortgage lending. Job-required training necessary to maintain licensure or similar standards required for holding a position, if comparable training cannot be obtained in California or a different state not subject to the travel prohibition. A function required by statute, contract, or executive directive.	Loss of cost savings and efficiencies for not meeting needs of single family IT business needs, resulting in the inability to collaborate and strengthen lending products for affordable housing initiatives. Failure to obtain in depth instructions on essential system and regulatory changes in the industry.
GSE's	13	Executive	TBD	Washington, DC	2	0	0	\$ 3,000.00	\$ 6,000.00	Mission critical meeting with GSE's to discuss new partnerships and capital raising opportunities for Multifamily Programs. Requests by the federal government to appear before committees.	Loss of opportunity to obtain in-depth instruction on essential HFA programs.
CIO Leadership Forum 2025	14	I.T.	February 24-25, 2025	Phoenix, AZ	1	0	0	\$ 2,750.00	\$ 2,750.00	Mission critical event for training for building the culture and digital dexterity to support innovation. This leadership forum dissects the challenges and opportunities of digital business among select peers that drove competitive advantages for attending organizations. A function required by statute, contract, or executive directive.	Missed opportunity to explore strategic trends and technologies that could assist in reshaping the future of IT and CalHFA.
Fannie Mae Rural Duty to Serve	15	Exec	TBD	TBD	2	0	0	\$ 3,000.00	\$ 6,000.00	Mission critical meeting with secondary marketing purchaser of single family and multifamily loans. To further explore the ability to influence and provide input of issues related to helping homeowners and communities located in some of our nations most challenging markets. Attendance is required as member of the Board and serves as mission critical to CalHFA. Requests by the federal government to appear before committees.	Loss of cost savings and efficiencies for not meeting lending partners in one location, resulting in the inability to collaborate as strengthen leading products for affordable housing initiatives.
Novogradac Conference	16	Exec, General Counsel, Multifamily	TBD	TBD	2	0	0	\$ 2,500.00	\$ 5,000.00	Mission critical conference to bring together hundreds of professionals to explore ways to overcome structuring and other challenges with the primary goal to help build America's low income neighborhoods. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Loss of opportunity to strengthen knowledge of CA issues and trends.

CalHFA FY 2024-25 Out of State Travel											
Mission Critical Travel	Trip Number	Division	Date of event (If known)	Destination	# of Exempt Employees Attending	# Board Members Attending *	# of Non-Exempt Employees Attending (Excluded and Represented Employees)	Individual Trip Cost	Projected Cost (including airfare, rental car, meals, etc.)	Justification (i.e. Mission Critical; List benefits to the Dept.; Auditing; Litigation Related; Function required by statute, contract, or executive directive; NCSHA Sponsored Meetings; Meetings with Rating Agencies, GSE's; Lender Trainings )	Impact if Denied
National Housing Conference Solutions for Housing Communications	17	Marketing	TBA	Washington, DC	1	0	0	\$ 3,000.00	\$ 3,000.00	A mission critical national convening designed especially for housing communicators that focuses on communications strategies and tactics for expanding awareness of the benefits of affordable housing and building support for affordable housing policies and development. Workshops address communications tools and trends needed as a housing communicator. National experts provide helpful tips and strategies on how housing organizations communicate with policymakers, the media, stakeholders and its constituents. Job required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition	Lack of preparedness on the latest's strategies and tactics for communicating, building support for and defending efforts surrounding affordable housing. Without keeping apprised of the communication efforts around the nation, we risk being ineffective in our efforts here in California where the housing crisis is substantially worse than many other states.
SHRM - HR Conference	18	Admin	TBD	TBD	1	0	0	\$ 2,750.00	\$ 2,750.00	Mission critical training to adapt to the latest ideas that are changing the workplace landscape. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Loss of knowledge due to the ever changing scope of the workplace and workforce due to issues as Covid and tele-work.
Western States HFA Home Ownership Conference	19	Single Family	TBD	TBD	2	0	0	\$ 3,000.00	\$ 6,000.00	Annual mission critical meeting with Western State HFA's. This training even is designed to strengthen the understanding of regional issues in various housing related program areas which are common to our region. Work on regional issues/ solutions by partnering with sister HFA in cost sharing ventures.	Loss in industry knowledge in the housing market and missed opportunity to collaborate with others in the industry and learn from them.
CA Coalition Affordable Housing Fall Conference	20	Multifamily	TBD	TBD	2	0	0	\$ 3,000.00	\$ 6,000.00	Annual mission critical meeting with Western State HFA's. This training even is designed to strengthen the understanding of regional issues in various housing related program areas which are common to our region. Work on regional issues/ solutions by partnering with sister HFA in cost sharing ventures.	Loss in industry knowledge in the housing market and missed opportunity to collaborate with others in the industry and learn from them.
				Totals	50	3	4	\$ 58,650.00	\$ 169,750.00		

\*Agency will reimburse out of state travel expenses for Board Members eligible for per diem pursuant to Health & Safety Code Section 50909



## MEMORANDUM

**To:** Board of Directors **Date:** June 20, 2024

**From:** Jennifer LeBoeuf, Director of Administration  
Chris Shultz, Chief Deputy Director  
California Housing Finance Agency

**Subject:** Agenda Item 9 – Discussion, recommendation, and possible action to adopt a salary range adjustment for key exempt management staff

### Background

The role of the Executive Evaluation Committee (EEC) and the Board includes a periodic review of the structure and level of compensation of key exempt management staff. There has not been such a review since the current salary schedule was adopted in 2017.

Unlike all civil servants and nearly all exempt management staff at other state departments, CalHFA's exempt management staff do not receive general salary increases (GSIs) via CalHR, and the salary ranges for these positions adjust only when the salary ranges are adjusted by the Board of Directors.

Since the 2017 adoption of the current salary schedule (Attachment A), the cost of goods and services as reflected in the consumer price index and market salaries have both increased. During this same timeframe, CalHR has caused state employees' salary ranges to be increased by the following GSIs totaling 27.27% (compounded):

7/1/2018	4.00%
7/1/2019	3.50%
7/1/2021	4.55%
7/1/2022	2.50%
7/1/2023	3.00%
7/1/2024	3.00%
7/1/2025	3-4.00%

Recent research unveiled existing CalHFA Board Resolution 17-01 (Attachment A), adopted January 17, 2017, which provides that "Effective January 1, 2017, the key

exempt management staff salaries and salary schedule shall be adjusted in concert with future state approved GSI increase(s) granted to other state exempt employees."

To address multiple requests the Board has made around this issue, and with sensitivity to the state's budget challenges, CalHFA staff is presenting the information below for consideration.

CalHFA's financial position can support any of the following alternatives with no material effect on the Agency's budget as CalHFA has already budgeted for GSIs for all employees.

### **Potential Board Action**

Should the Executive Evaluation Committee act to recommend an identical agenda item in a separate committee meeting before today's full Board meeting, CalHFA staff respectfully requests the Board consider Board Resolution No. 24-17 to adjust key exempt management staff salary ranges consistent with most recent GSI for all state employees.

This alternative foregoes the GSI range/salary increases all state employees received in 2018, 2019, 2021, and 2022, and as a temporary measure adjusts the 2017 salary ranges one time consistent with the 2023, 2024 and 2025 GSIs approved for all state employees:

- 3% on 7/1/23
- 3% on 7/1/24
- 3-4% on 7/1/25 (depending on the state's fiscal condition)

The effect of this resolution would be to adjust each exempt salary range by approximately 10%, creating room in each salary band for the Board (for the Executive Director) and the Executive Director (for subordinate executive management staff) to utilize at their discretion through 2025 to mirror the GSI provided to all state employees.

Alternatives include:

- Adjust the salary ranges in line with the GSI since 2018 pursuant to Board resolution 17-01; or
- Adjust the salary ranges in line with a salary survey conducted pursuant to statute which compares CalHFA salaries to housing finance agencies and community development financial institutions.



Attachments

Attachment A: Board Resolution 17-01

Attachment B: Relevant Statutes

## RESOLUTION 17-01

## RESOLUTION ADJUSTING SALARY FOR KEY EXEMPT STAFF

WHEREAS, on January 1, 2007, amendments to Health & Safety Code section 50909 became effective, directing the Board of Directors of the California Housing Finance Agency (the "Board of Directors") to establish salaries for key exempt management; and

WHEREAS, on January 18, 2007, the Board adopted Resolution 07-06, establishing salary ranges for key exempt management positions as an aid in setting specific salaries; and

WHEREAS, on March 8, 2007, the Board adopted Resolution 07-10, setting the salary ranges for key exempt management positions, and

WHEREAS, no general salary increase or adjustments in those salary ranges has been contemplated by board since their implementation in 2007; and

WHEREAS, CalHFA key exempt management staff have not been included in any of the general salary increases (GSI) provided to other State exempt employees since 2007.

WHEREAS, the California Department of Human Resources (CalHR) notified state agencies that beginning in fiscal year 2017-18 employees will be required to equally share in the cost of Other Post-Employment Benefits (OPEB); and

WHEREAS, to offset increased out of pocket expenses attributable to key exempt management staff due to increased employee contributions to healthcare and post retirement contributions; and

WHEREAS, the Executive Evaluation Committee met on December 14, 2016 to consider recommending a general salary increase for key exempt management; and

WHEREAS, the Board of Directors has considered the recommendations of the Executive Evaluation Committee to, effective January 1, 2017, increase the salary range of key exempt management by three percent, provide each key exempt a three percent increase to their current salary and further adjust the key exempt salary schedule in concert with future state approved GSI increases granted to other state exempt employees.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors as follows:

1. The Board of Directors adopts the recommendations of the Executive Evaluation Committee to adjust the salary ranges for key exempt management and further resolves as follows:
  - a. Repeal resolution 07-10 setting the salary schedule and caps for key

exempt staff and instead adjusts and creates revised salary ranges for those positions to reflect a three percent general salary increase effective January 1, 2017 consistent with **Attachment A** hereto.

b. Each member of the key exempt management staff shall, effective January 1, 2017 receive a three percent GSI increase to their current salary.

c. Effective January 1, 2017 the key exempt management staff salaries and salary schedule shall be adjusted in concert with future state approved GSI increase(s) granted to other state exempt employees.

d. Authorize the amendment of the CalHFA budget, if required, to facilitate the approved changes.

SECRETARY'S CERTIFICATE

I, Thomas O. Freeburger, the undersigned, Acting Secretary of the Board of Directors of the California Housing Finance Agency, hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 17-01 duly adopted at the meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 17th day of January, 2017, of which meeting all said directors had due notice; and that at said meeting said Resolution was adopted by the following vote:

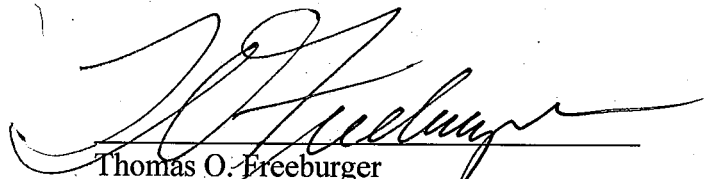
AYES: AVILA FARIAS, SCHAEFER (for Chiang), GALLAGHER, GUNN (for Imbasciani), GUNNING, HUNTER, METCALF, WILLIAMS (for Podesta), SOTELO, RUSSELL, FALK

NOES: NONE

ABSTENTIONS: NONE

ABSENT: JOHNSON-HALL, PRINCE

IN WITNESS WHEREOF, I have executed this certificate hereto this 17th day of January 2017.

A handwritten signature in black ink, appearing to read 'T. Freeburger', is written over a horizontal line.

Thomas O. Freeburger  
Acting Secretary of the Board of Directors of the  
California Housing Finance Agency

**Attachment A to Board Resolution 17-01**

CalHFA Class Title	New Salary Range @ 3% GSI Monthly		Position Status
	Min.	Max.	
Director of Enterprise Risk Management	TBD	TBD	Vacant
Executive Director	\$12,875	\$18,025	
Director of Multifamily Programs	\$12,017	\$18,025	
Director of Financing	\$11,870	\$16,308	
Chief Deputy Director	\$11,868	\$16,308	Vacant
Director of Homeownership	\$10,643	\$16,308	
General Counsel	\$11,158	\$14,592	Vacant
Director of Legislation and Mortgage Assistance	\$11,802	\$14,592	Vacant
Chief Information Officer	\$8,583	\$11,802	
Financing Risk Manager	\$8,583	\$11,802	
Assistant Deputy Director of Homeless Policy	\$7,844	\$8,739	

## **ATTACHMENT B: Relevant Statutes**

H&S Code § 50908 provides: “The Governor shall, subject to confirmation by the Senate, appoint an executive director of the agency, who shall, subject solely to supervision by the board, administer and direct the day-to-day operations of the agency. The term of office of the executive director is five years. Except as provided in this part, the board shall from time to time determine the total number of authorized employees within the agency and shall determine the salaries of those employees of the agency whose salaries are not paid from moneys appropriated to the agency from the General Fund.”

H&S § 50909(a) states: “Notwithstanding Sections 19816 and 19825 of the Government Code, the compensation of key exempt management, including the executive director, the chief deputy director, the general counsel, the director of financing, the director of homeownership programs, the director of multifamily programs, the director of enterprise risk management and compliance, and the risk manager, shall be established by the board in the agency’s annual budget, in amounts which are reasonably necessary, in the discretion of the board, to attract and hold a person of superior qualifications.”

H&S § 50909 also directs specifically how the salary survey should be conducted:

“(b) (1) To determine the compensation for the positions described in this section, the board shall cause to be conducted, through the use of independent outside advisors, salary surveys of both of the following:

(A) Other state and local housing finance agencies that are most comparable to CalHFA.

(B) Other relevant labor pools.

(2) The salaries so set by the board shall not exceed the highest comparable salary for a position of that type, as determined by the survey.

(c) The Department of Human Resources shall review the methodology used in these salary surveys.

1 BOARD OF DIRECTORS  
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY

3  
4 RESOLUTION NO. 24-17

5  
6 RESOLUTION RATIFYING SALARY RANGE ADJUSTMENT FOR KEY EXEMPT  
7 MANAGEMENT STAFF  
8

9 WHEREAS, the board has not conducted a review of the current salary schedule for key  
10 exempt management staff since 2017;

11  
12 WHEREAS, unlike all civil servants and nearly all exempt management staff at other state  
13 departments, CalHFA's exempt management staff do not receive general salary increases (GSIs)  
14 via CalHR;

15  
16 WHEREAS, since 2017 CalHR has caused state employees' salary ranges to be increased  
17 by GSIs totaling 27.27%;

18  
19 WHEREAS, the Board previously authorized the Executive Director, as memorialized in  
20 Resolution 17-01, to adjust the salary schedule and salaries for all key exempt management to be  
21 calibrated in concert with state approved GSI increases granted to other state exempt employees;

22  
23 WHEREAS, the Executive Director recognizes the need to meaningfully align CalHFA's  
24 practices with other state departments to be fiscally responsible as balanced against the need to  
25 attract and retain capable, motivated, knowledgeable key exempt management staff;

26  
27 WHEREAS, prudent financial management must be weighed against the need for  
28 sufficient financial incentives to attract and retain CalHFA leaders to competently conduct the  
29 complex work that CalHFA effectuates in the affordable housing arena;

30  
31 WHEREAS, the Board of Directors affirms the critical importance of a competent key  
32 exempt management team and has considered the necessity of authorizing an adjustment of salary  
33 ranges consistent with the past and scheduled range increases for state employees for the years  
34 2023, 2024, and 2025.

35  
36 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "Board") of the  
37 California Housing Finance Agency as follows:

- 38  
39 1. The Board of Directors authorizes changes to the ranges of key exempt  
40 management staff as tethered to the GSIs approved for all state employees in the  
41 following amounts:  
42 a. Three percent (3%) as of July 1, 2023,  
43 b. Three percent (3%) as of July 1, 2024, and  
44 c. Three to four percent (3-4%) as of July 1, 2025, predicated upon the  
45 state's fiscal condition.  
46 2. The Board of Directors ratifies existing Board Resolution 17-01.  
47  
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## 1 SECRETARY'S CERTIFICATE

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3 I, Marc Victor, the undersigned, do hereby certify that I am the duly authorized Secretary  
4 of the Board of Directors of the California Housing Finance Agency, and hereby further certify  
5 that the foregoing is a full, true, and correct copy of Resolution No. 24-17 duly adopted at a regular  
6 meeting of the Board of Directors of the California Housing Finance Agency duly called and held  
7 on the 20th day of June 2024, at which meeting all said directors had due notice, a quorum was  
8 present and that at said meeting said resolution was adopted by the following vote:  
9

10 AYES:

11  
12 NOES:

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14 ABSTENTIONS:

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16 ABSENT:

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18 IN WITNESS WHEREOF, I have executed this certificate hereto this 20th day of  
19 June, 2024.  
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21  
22 ATTEST:

23 \_\_\_\_\_  
24 Marc Victor  
25 Secretary of the Board of Directors of the  
26 California Housing Finance Agency  
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## MEMORANDUM

**To:** Board of Directors **Date:** June 20, 2024

**From:** Jennifer LeBoeuf, Director of Administration  
Chris Shultz, Chief Deputy Director  
California Housing Finance Agency

**Subject:** Agenda Item 10 – Discussion, recommendation, and possible action to adjust the salary of the Executive Director

### Background

The Board completed its evaluation of the performance of the Executive Director for fiscal year 2022-23 on December 14, 2023. At the time the performance appraisal was issued, the Board did not make a salary adjustment because CalHFA's salary ranges were under review. The Board indicated that a salary adjustment may be considered at a later date.

### Potential Board Action

If the Board acted to approve Agenda Item 9 to adjust key exempt management staff salary ranges earlier in today's meeting, CalHFA staff respectfully requests the Board consider Resolution No. 24-18 to adjust the salary of the Executive Director, informed by the Board's 2022-23 performance evaluation, retroactive to July 1, 2023, and in line with the general salary adjustment provided to all state employees on July 1, 2023.

1                                   BOARD OF DIRECTORS  
2                                   OF THE CALIFORNIA HOUSING FINANCE AGENCY

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4                                   RESOLUTION NO. 24-18

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6                                   RESOLUTION ADJUSTING THE SALARY OF THE EXECUTIVE DIRECTOR

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8                                   WHEREAS, Health & Safety Code section 50909 directs the Board of Directors to  
9 establish in CalHFA's annual budget salaries for key exempt managers; and

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11                                   WHEREAS, pursuant to Health & Safety Code section 50909 it is within the discretion of  
12 the Board of Directors to adjust the salary of the Executive Director; and

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14                                   WHEREAS, the Executive Evaluation Committee completed its evaluation and  
15 recommends the Board of Directors approve a merit increase for the Executive Director; and

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17                                   WHEREAS, the Board of Directors accepts the recommendation of the Executive  
18 Evaluation Committee; and

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20                                   WHEREAS, the Board of Directors has determined that the salary of the Executive  
21 Director should be adjusted to reflect a merit increase.

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23                                   NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "Board") of the  
24 California Housing Finance Agency as follows:

- 25  
26                                   1. The Board hereby adjusts the salary of the Executive Director to reflect a merit-based  
27 increase to her salary by \_\_\_\_\_ percent, effective \_\_\_\_\_, 202\_\_.

## 1 SECRETARY'S CERTIFICATE

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3 I, Marc Victor, the undersigned, do hereby certify that I am the duly authorized Secretary  
4 of the Board of Directors of the California Housing Finance Agency, and hereby further certify  
5 that the foregoing is a full, true, and correct copy of Resolution No. 24-18 duly adopted at a  
6 regular meeting of the Board of Directors of the California Housing Finance Agency duly called  
7 and held on the 20th day of June 2024, at which meeting all said directors had due notice, a quorum  
8 was present and that at said meeting said resolution was adopted by the following vote:  
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10 AYES:

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12 NOES:

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14 ABSTENTIONS:

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16 ABSENT:

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18 IN WITNESS WHEREOF, I have executed this certificate hereto this 20th day of  
19 June, 2024.  
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22 ATTEST:

23 \_\_\_\_\_  
24 MARC VICTOR  
25 Secretary of the Board of Directors of the  
26 California Housing Finance Agency  
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## MEMORANDUM

**To:** Board of Directors **Date:** June 20, 2024

**From:** Kate Ferguson, Director of Multifamily Programs  
California Housing Finance Agency

**Subject:** Agenda Item 11 – Mixed-Income Program Update

CalHFA offers a variety of loan programs with competitive rates and long-term financing to advance the creation and preservation of affordable housing for people who truly need it. The goals of all the programs are to increase the supply of affordable rental housing, maintain a quality living environment, leverage private sector funds to the greatest extent possible, and to cooperate with local jurisdictions to advance affordable housing.

The CalHFA Mixed-Income Program ("MIP") provides competitive long-term subordinate financing for new construction multifamily housing projects restricting units between 30% and 120% of county Area Median Income. CalHFA assesses the terms and conditions of MIP on an annual basis and makes changes as dictated by economic, market, and industry influences. A new Mixed-Income Term Sheet is posted each calendar year. This year's calendar for the Mixed-Income Program is as follows:

- January 19, 2024: The 2024 MIP Term Sheet was posted to the CalHFA website (copy attached to this memo as Attachment I). This posting opened the application period. The 2024 Term Sheet was substantially the same as the 2023 term sheet with some minor changes. All Changes were approved by Tiena Johnson Hall as Executive Director of CalHFA under authority delegated to her by the Board of Directors pursuant to Resolution No. 19-02 dated January 10, 2019.
- February 13, 2024: Application period closed. CalHFA received a total of 37 applications.
- February 14-23, 2024: CalHFA Multifamily Division vetted all applications for threshold requirements as outlined in the 2024 MIP Term Sheet and finalized the applicant list for ranking.

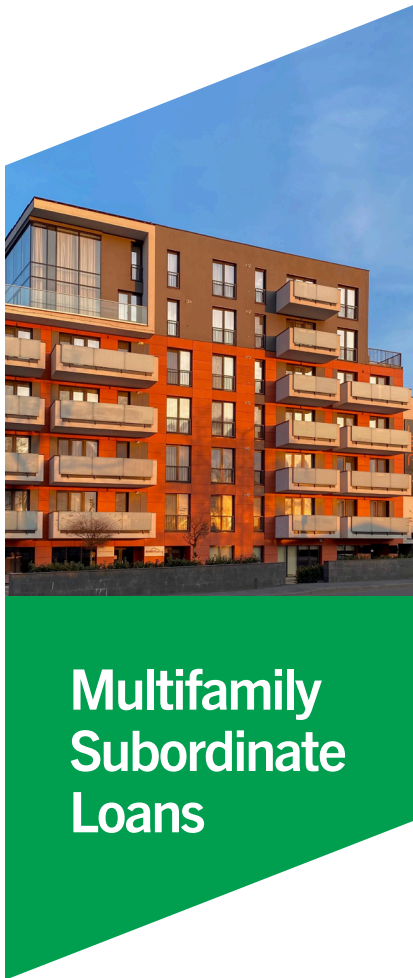
- February 23-March 1, 2024: CalHFA Financing Division completed the ranking process. After internal review, CalHFA produced a final ranked list of applicants on March 19, 2024. The ranking list identifies those projects which will receive funding based on availability of MIP funds, tax exempt bond cap available in the CDLAC MIP pool, and \$200 million in state tax credits available for MIP. The final ranked list is attached as Attachment II to this memo.
- March 19-April 22, 2024: CalHFA Multifamily Division conducted due diligence and financial analysis of the top 13 ranking projects.
- April 23, 2024: CalHFA (as Conduit Issuer) submitted 13 applications to CDLAC requesting bond cap available under the MIP Pool. The total resources requested included:
  - \$45,800,000 of the total \$50,000,000 in available 2024 MIP Subsidy.
  - \$516,961,466 of the \$571,842,346 in tax exempt bond cap available under the CDLAC MIP Pool;
  - \$195,978,062 of the \$200 million in state tax credits available to MIP projects at CTCAC.

Further details related to the geographic, affordability, and historic contributions of the Mixed-Income Program and its related contribution to CalHFA Revenue and Asset growth since 2019 will be provided at the June 20<sup>th</sup> Board Meeting.

Attachments:

I – MIP 2024 Term sheet

II – 2024 Subsidy Award List



## Mixed-Income Program (2024)

The California Housing Finance Agency (“CalHFA” or “Agency”) Mixed-Income Program (“MIP”) provides long-term, subordinate subsidy financing for new construction multifamily housing projects restricting units (tax credit or CalHFA) between 30% and 120% of county Area Median Income (“AMI”).

The MIP subsidy loan (“MIP Loan”) must be paired with CalHFA’s Conduit Bond Issuer Program and CalHFA’s Tax-Exempt Permanent Loan Program. CalHFA will work with MIP applicants to assess the benefits of utilizing CalHFA’s Bond Recycling Program during the project construction and/or permanent loan periods and may require recycled bonds to be included as a source, subject to availability and project feasibility. Eligible projects must create newly constructed (including all uses considered new construction per California Debt Limit Allocation Committee (“CDLAC”) and California Tax Credit Allocation Committee (“CTCAC”) applicable regulations), regulated units that meet the income and occupancy requirements reflected below. Approval of all MIP funding allocations will be subject to CalHFA underwriting standards and will be at the sole discretion of CalHFA.

### Mixed-Income Program Subsidy Loan Limits

MIP Loan amount for each project will be based on project need and will be limited to the lesser of the following:

1. \$4 million; or
2. \$50,000 per MIP-regulated unit (restricted between 30%-120% AMI). Projects located within the Highest or High Resource areas pursuant to CTCAC regulations designated on the [CTCAC/HCD Opportunity Area Map](#) shall be eligible for an additional amount up to \$10,000 per MIP-regulated unit; or
3. 50% of the permanent loan amount.

### Application

MIP applicants must submit a completed application package which includes all items listed on the application, application addendum, and checklist. Incomplete application packages will not be considered. The application and checklist can be found at [www.calhfa.ca.gov/multifamily/mixedincome/forms](http://www.calhfa.ca.gov/multifamily/mixedincome/forms). If the MIP applicant is not able to meet the readiness timeline referenced below, MIP awards may be rescinded.

### Qualifications

#### Availability

Available to for-profit, nonprofit, and public agency sponsors. Development teams must meet all the requirements in the Development Team Qualifications section below as well as additional requirements per the Agency’s underwriting standards as updated from time to time.

#### Uses

MIP Loans must be used in conjunction with CalHFA’s Conduit Bond Issuer Program and a construction loan from a CalHFA Mixed-Income Qualified Construction Lender (as defined below). MIP Loans must also be used in conjunction with



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**Kevin Brown**  
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**Jennifer Beardwood**  
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CalHFA's Tax-Exempt Permanent Loan Program. CalHFA will work with MIP applicants to assess the benefits of utilizing CalHFA's Bond Recycling Program during the project construction and/or permanent loan periods and may require recycled bonds to be included as a source, subject to availability and project financial feasibility.

### Financing Structure

Projects accessing the MIP Loans must be structured as both of the following:

1. Tax-exempt bond and 4% tax credit project where at least 51% of the units in the project must be tax-credit financed (LIHTC units); and
2. Qualified mixed-income project through income averaging pursuant to Internal Revenue Code Section 42 (g)(1)(C).

### Project Readiness

MIP applicants must have evidence of site control and they must be prepared to submit for an award of tax-exempt bond cap and 4% tax credits from the CDLAC and CTCAC, respectively. Project applicants will only receive funds if tax-exempt bond cap is awarded within the 2024 calendar year including available carryforward volume cap based upon meeting the issuance timeframes specified in the CDLAC Regulations Section 5100.

- **Site:** The site must be ready for construction. Any potential environmental issues must have been identified, mitigation plans must be in place, and costs associated with the mitigation plan must be incorporated in the development budget. Environmental issues may include, but are not limited to, receipt of clearances for CEQA, NEPA, and applicable tribal land environmental reviews. Pursuant to HUD-Risk Sharing requirements and MIP financing requirements, the MIP applicant is expected to start the NEPA process shortly after CalHFA verifies application completeness and determines that the project is ready to move forward with an initial commitment. The NEPA clearance and HUD's firm approval letter will be required prior to construction loan closing.
- **General Contractor and/or Third-Party Construction Services Engagement:** At the time of application, the MIP applicant must provide evidence that a full-service general contractor ("GC") or third-party construction services company has been engaged to provide construction and project management services including, but not limited to; value engineering, bid/budget services, and constructability review of plans and designs. The proposed construction budget must be based on the general contractor's or third-party construction services company's preliminary bid estimates pursuant to the current plans and designs. CalHFA may require additional construction due diligence items for its Final Commitment underwriting including an indicative draft Schedule of Values (SOV), draft Construction Contract (draft AIA GMP or Stipulated Sum Contracts) and contract provisions for sharing construction cost savings.
- **Disposition and Development Agreement:** The MIP applicant must provide a copy of the locality Disposition and Development Agreement ("DDA"), if applicable. The DDA must be effective and/or must be executed prior to the CalHFA Initial Commitment approval.

- **Tax Credit Financing and Other Financial Commitments:** The MIP applicant is required to provide copies of a binding Letter of Intent (“LOI”), term sheet and/or commitment for all of the financing indicated in the project capital stack for CalHFA’s underwriting. CalHFA may request additional due diligence for its underwriting including a draft Limited Partnership Agreement (“LPA”) or financial projections for the Tax Credit Investor for the purposes of confirming Limited Partner (“LP”) membership; LP fees; Developer fees amount and pay-in schedule; the Tax Credit Equity pay-in Schedule; governmental Residual Receipt lenders and subordination conditions; non-governmental subordinate lenders repayment and lien terms; etc.
- **Construction Start:** All projects must commit to begin construction 180 or 194 days from the earlier of the date of the tax-exempt bond allocation or the 4% federal/state tax credit reservation, unless an extension has been approved by CTCAC, CDLAC, and CalHFA, as applicable. Within the 180- or 194-day period (as may be applicable pursuant to CDLAC Regulation Sections 5100(b)(3)(i) and 5230(i) and CTCAC Regulations Section 10325(c)(7)), the following items must be submitted to CalHFA in their final form for the construction close:
  - An executed construction contract.
  - A complete, updated application form with a detailed explanation of any changes, including but not limited to, changes in sources and uses from the initial application.
  - Recorded deeds of trust for all construction financing (unless a project’s location on tribal trust land precludes this).
  - Binding commitments for construction and permanent financing, including any sponsor loan and any other financing required to complete project construction.
  - Copy of a LPA executed by the general partner and the LP/equity provider.
  - An updated CTCAC Attachment 16, if applicable.
  - Copies of buildings permits (a grading permit does not suffice to meet this requirement, except if the city or county as a rule does not issue building permits prior to the completion of grading, then a grading permit shall suffice; if the project is a design build project in which the city or county does not issue building permits until designs are fully complete, the city or county shall have approved construction to begin) or the applicable tribal documents.
  - Copy of the notice to proceed delivered to the contractor.
  - Other documentation and information required by CalHFA to close construction financing.

### Evidence Of Cost Containment

A Cost Containment Certification must be provided at the time of Application and Construction Loan Closing, if applicable. The [Cost Containment Certification](#) acceptable to CalHFA may be found on the agency’s website.

The MIP applicant must certify within the Cost Containment Certification that cost containment measures have been implemented to minimize construction costs.



These measures should include, but are not limited to:

1. Competitively bidding out of all major subcontractor and self-performing trades; and
2. Engaging a value engineer/consultant during the design process.

### **Evidence Of Subsidy Efficiency**

A Subsidy Efficiency Analysis will be completed as part of the application review prior to CalHFA's consideration to issue an Initial Commitment approval. The analysis will be completed again prior to CalHFA's consideration to issue a final commitment approval, prior to construction loan closing, at final cost certification, and again at the closing of the MIP subordinate loan. The MIP Loan amount may be reduced based on each subsequent analysis. Parameters of the analysis may include, but are not limited to, the following:

- A maximum of 1.20x Debt Service Coverage Ratio ("DSCR") at Year 1 (Initial DSCR). CalHFA may allow an initial DSCR higher than 1.20x on a case-by-case basis, if deemed necessary. The underwriting prior to construction and permanent closing must show an on-going minimum DSCR of 1.15x through the term of the CalHFA permanent first lien loan.
- A project cash flow that supports the residential component of the project based on the required CalHFA permanent first lien annual debt service coverage ratio.
- A separate project cash flow that supports any commercial component of a mixed-use project, if applicable.
- The cash flow after debt service shall be limited to the higher of 25% of the anticipated annual must-pay debt service payment, or 8% of gross income, during each of the first three years of project operation.
- Inflation factors and vacancy rates consistent with the Agency's Underwriting Standards.
- Maximum Developer Fee requirements consistent with CTCAC Regulation Section 10327(c)2(B). CalHFA approval of structuring of the Developer Fee paid in cash and from project cash-flow is required in the event of any exceptions to Agency's subsidy loan underwriting standards, including exit analysis and residual receipts requirements, and MIP term sheet requirements.
- Capitalized reserves subject to approval by Agency for reasonableness and consistent with both the Agency's Underwriting Standards and the LPA.
- Review of Excess Sources over final Uses as approved by CalHFA resulting from any of the following:
  - An increase in tax credit equity.
  - An increase in permanent loan debt due to newly obtained financing, a permanent loan rate reduction or adjustments to residential income and operating expense assumptions.
- Construction Cost Savings funds evidenced by final cost certification shall be used to reduce the MIP Loan prior to CalHFA MIP Loan closing or if required by other subordinate lenders. These funds may be split on a pro rata basis between CalHFA and other subordinate lenders.

Qualifications continued

- State tax credits (“STC”) maximum requested amount shall be consistent with CTCAC Regulations Section 10317. MIP Loan final commitment shall be subject to evidence of project’s receipt of CDLAC’s preliminary tax-exempt bond allocations and CTCAC’s tax credits reservations within the respective year.
- Acquisition cost shall be the lesser of:
  1. Purchase price pursuant to a current purchase and sales agreement between unrelated parties; or
  2. Purchase price of an arm’s length transaction and between unrelated parties executed within the past 10 years plus reasonable carrying costs; or
  3. Appraised “as-is” value based on a current appraisal acceptable to CalHFA in its sole discretion. The appraised value of the real estate may be considered if the arm’s length transaction exceeds 10 years.

In the event that an identified project site is a portion of the purchased parcel, where the purchased parcel is to be subdivided, then CalHFA will require that the appraisal specifically identify the portion of the acquisition cost attributable to the project site.

Project Application Ranking Qualifications\*

CalHFA shall select qualifying projects subject to the Agency’s decision to efficiently allocate the available STC, MIP funding as determined by the Agency, and tax-exempt volume cap limit from the State-funded Mixed-Income Pool. The prioritization of MIP project application(s) shall follow a ranking calculation method described below:

1. **Project Public Benefit and Efficiency:** MIP project applications shall be initially assigned a ranking number based on the highest amount of public benefit per dollar of the total cost-adjusted amounts of the tax-exempt bond allocation requested from CDLAC, plus the STC allocation requested from CTCAC consistent with CDLAC Regulation Section 5231(g)(1) and 5231(g)(2) (“Project Rank Number”). Next, the Project Rank Number may be adjusted pursuant the below bonus factors, subject to eligibility:
2. **MIP Efficiency Bonus:** The total requested MIP amount as a percentage of the eligible maximum MIP amount per MIP-regulated unit shall be eligible for an adjustment to the original Project Rank Number based on a sliding scale per the below chart:

MIP as % of Eligible Maximum Per Unit	Adjustment
<20%	-0.500
20-40%	-0.375
41-60%	-0.250
61%-80%	-0.125
>80%	0.000

3. **STC and Soft Funds Leveraging Bonus:** The total requested STC amount and total permissible soft funds (refer to limitations section) as a percentage of the maximum STC shall be eligible for an adjustment to the original Project Rank Number based on a sliding scale per the below chart:

STC as % of Eligible Maximum Per Unit	Adjustment
>80%	-0.500
61%-80%	-0.375
41-60%	-0.250
20-40%	-0.125
<20%	0.000

4. **New Developer Bonus:** Developers that are new to MIP (requesting MIP funding for the first time) shall be eligible for -1 adjustment to the initial Project Rank Number. Developers that have not received MIP funding awards in the past two years shall be eligible for -0.5 adjustment to the initial Project Rank Number. To be considered a new Developer, the new Developer entity should be able to demonstrate that they have greater than a 51% share in the GP partnership entity and also receive greater than 51% share of the Developer Fee as evidenced by a Partnership or Development Services Agreement or any document acceptable to CalHFA in its sole discretion.
5. **Geographic Distribution Bonus:** Projects located in a city with a population over 1 million, that has not received MIP funding in the prior two years, will be eligible for -1 adjustment to the initial Project Rank Number. Projects located in a city with a population over 500,000, and up to 1 million, that has not received MIP funding in the prior two years, will be eligible for -0.5 adjustment to the initial Project Rank Number.

\* In future years, MIP may be awarded using additional factors, including, but not limited to cost containment or tax credit equity changes, as measured by change in total development cost from initial commitment to construction close.

## Additional Eligibility Criteria

Additionally, eligibility for a MIP award shall be subject to the following criteria:

- **Project Cap:** Per Project MIP funds available will be equal to the lesser of the following:
  - a. Maximum MIP Loan Amount of \$4 million per Project application.
  - b. Maximum of \$50,000 per MIP-regulated unit for Projects located in Moderate, Low, or Lowest Resource Areas.\*\*
  - c. Maximum of \$60,000 per MIP-regulated unit for Projects located in High or Highest Resource Areas.\*\*
  - d. Maximum MIP Loan Amount of no more than 50% of the CalHFA Permanent Loan.
- **Sponsor Cap:** No Sponsor (any individual, entity, affiliate and/or related/affiliated entity) may receive an allocation of MIP funds for more than one Project application. Sponsor shall be defined as any individual, entity, affiliate and/or related entities that (i) is or has interest in the any general partner entity, including but not limited to the managing, and/or administrative partner, of the MIP applicant, and

(ii) is entitled to receive the Developer fee (in whole or in part) as evidenced by the applicable legal documents acceptable to CalHFA. An exception to the Sponsor Cap limit may be considered for up to one additional project for any Sponsor that partners with an Emerging Developer to submit a MIP project application so long as the Emerging Developer (i) is or has a 51% ownership interest in a general partner, managing, and/or administrative partnership entity of the MIP applicant, and (ii) is entitled to receive 51% or more of the Developer Fee as evidenced by the applicable legal documents acceptable to CalHFA. Emerging Developer is defined as any Sponsor which cannot independently meet the MIP Developer/Co-Developer/General Partner qualifications as outlined below.

- **County Cap:** No county may receive more than 25% of total available MIP funds for the respective year.
- **Age-Restricted Cap:** No more than 25% of total available MIP funds for the respective year may be received by age-restricted Project Applications (units that are restricted to residents who are 55 years of age or older under the applicable provisions of California Civil Code Section 51.3 and the federal Fair Housing Act).

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*\*\* Determination of Resources Area types shall be pursuant to CTCAC regulations and designated on the CTCAC/HCD Opportunity Area Map.*

## CalHFA Mixed-Income Qualified Construction Lender

A CalHFA Mixed-Income Qualified Construction Lender is defined as a Construction Lender that has closed at least five construction loans using tax-exempt bonds and 4% federal and/or STC in California within the last three years and satisfies the requirements set forth in the Agency's underwriting standards as updated from time to time.

## CalHFA Mixed-Income Development Team Qualifications

Below is a list of minimum qualifications and experience requirements for the Development Team. Additional requirements per the Agency's underwriting standards (as updated from time to time) will apply for Initial and Final Commitment underwriting. The Agency may require a review of Development Team credentials and due diligence items provided including: prior experience and track record with CalHFA; performance of existing projects; total exposure and risk to the Agency with respect to subject financing and development pipeline.

- The **Developer/Co-Developer/General Partner** must be registered to do business and in good standing in the state of California. A CalHFA Qualified Developer/Co-Developer/General Partner must meet all the requirements of the Agency's underwriting standards including but not limited to: must have developed at least three projects which are comparable in their size and complexity to the subject Project, within the past five years or meet the requirements necessary to receive a minimum of seven points under the CDLAC General Partner Experience category pursuant to CDLAC Regulations Section 5230(f).
- **Emerging Developers** who do not meet the Developer/Co-Developer/General Partner requirements mentioned above are encouraged to partner with firms that can provide the required expertise and experience, which may include but is not limited to partnering with another development firm and/or third-party financial

partner acceptable to CalHFA (“Experienced Partner”). Experienced Partner must be acceptable to CalHFA and must meet the requirements per Agency’s underwriting standards.

- The proposed **Project/Construction Manager** must, at the minimum, have personally managed the development of at least two projects which are comparable in their size and complexity to the subject Project, within the past five years in California.
- **Financial Consultants** hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three projects which have financing comparable in their size, financing and complexity to the subject Project over the last five years in California.
- **Architects** new to CalHFA must provide information for three projects they designed which are comparable in their size, design and complexity to the subject Project, which were built and occupied within the past five years in California.
- **General Contractor** must be licensed by the State of California. GCs new to CalHFA must provide information related to three projects comparable in size, design and complexity to the subject Project, built in the past five years. The GC must provide resumes of the principals, key staff, and the proposed on-site construction supervisor and provide evidence that they are familiar with federal, state, and locality building code requirements for comparable projects.
- **Tax Credit Investors** must have closed/executed at least five LPAs for a deal structure which is comparable to the subject Project using tax-exempt bonds and 4% federal and/or STC in California within the last three years.
- **Management Company** must have a local presence or a field office in Northern or Southern CA (depending on the location of the Project) and have experience managing at least 10 low- to moderate-income, rent-restricted projects which are comparable in size and tenant types to the subject Project. Also required is a resume for the proposed on-site Property Manager, reflecting prior experience during the past five years managing onsite project operations and compliance with rent-restricted units or meet the requirements necessary to receive a minimum of three points under the CDLAC Management Company Experience category pursuant to CDLAC Regulations Section 5230(f).

### Permanent First Lien Loan

All project applications approved for a MIP subsidy loan must utilize CalHFA’s Permanent Loan Program, which includes the requirement that the underwriting prior to construction and permanent loan closing shows a minimum 1.15x initial debt service coverage ratio (including any financing with amortizing debt) for the term of the permanent loan. CalHFA may require the initial DSCR to be higher than the minimum 1.15x if deemed necessary to meet the Agency’s underwriting standards and credit risk assessment.

Any project application that contemplates a ground lease must accommodate CalHFA’s requirement that the first lien permanent loan shall be secured against both the fee and leasehold interests in the Property. The ground lease term must exceed any CalHFA subsidy or permanent loan term(s) by 10 years or more. The term of the ground lease must be equal to or longer than the term of the CalHFA Regulatory Agreement(s).

### Construction First Lien Loan

All project applications receiving a MIP loan must use a Construction Loan provided by a CalHFA Mixed-Income Qualified Construction Lender. All parties shall permit the Agency to recycle all, or a portion, of any bond volume cap related to a paydown of the bond-financed loans, at the conversion of the construction financing to permanent financing and payoff of the construction loan, pursuant to the authority provided in Section 146(i)(6) of the Internal Revenue Code of 1986 and CDLAC Regulation Section 5060 (“Bond Recycling”). The bond documents, loan documents and any other documents related to the financing of the Project shall contain any necessary approvals and permit all actions necessary to accomplish a Bond Recycling.

### Limitations

- MIP cannot be combined with the CTCAC 9% program.
- MIP cannot be combined with other state subordinate debt and/or subsidy programs (this does not include STC) except the Infill Infrastructure Grant (“IIG”), Affordable Housing and Sustainable Communities (“AHSC”) and Transit Oriented Development (“TOD”) housing programs. Inclusion of these programs is contingent upon restrictions that are compatible with the MIP program requirements outlined herein.
- Inclusion of other debt and subsidy may be considered on a case-by-case basis in CalHFA’s sole discretion so long as any restrictions of subordinate debt or subsidy are compatible with MIP program requirements outlined herein.
- Projects that have a below market rate component or are entirely restricted at below market rents because of an inclusionary obligation must demonstrate master developer commitment through a dollar-for-dollar match of CalHFA’s subsidy resources. Match can be obtained through a monetary match or equivalent in-kind contributions (e.g., land donation, land use fee concessions.)
- At the time of MIP application, a project must not have already received an allocation of 4% federal and/or STC from CTCAC or a tax-exempt bond allocation from CDLAC.
- Projects will not be eligible for other subsidy resources from CalHFA in addition to a MIP Loan.

### Mixed-Income Project Occupancy Requirements

#### Bond Regulatory Agreement Requirements (All Projects)

Must maintain either:

- a. 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of AMI with adjustments for household size (20% @ 50% AMI); or
- b. 40% or more of the units must be both rent restricted and occupied by individuals whose incomes are 60% or less of AMI with adjustments for household size (40% @ 60% AMI). In this case, CDLAC and CalHFA require a minimum of 10% of the unit types must be at 50% or less of AMI (i.e., 30% @ 60% AMI; 10% @ 50% AMI).



## Mixed-Income Program Regulatory Agreement Requirements (All Projects)

To qualify, a project must meet the following affordability restrictions, which are based on the HUD and locality (as applicable) income and rent limits which are current at the time of MIP application, for a term of 55 years:

- 30% of total units at or below 50% of AMI. Of these, a minimum of 10% of total units must be at or below 30% of AMI; and
- 10% of total units between 60% and 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below; and
- Remaining units at or below 120% of AMI (with the exception of any nonrestricted manager's unit(s)); and
- The minimum range between the lowest and highest occupancy target levels must be at least 40%.

(Deviations from the above requirements will only be considered if a current market study and/or appraisal report(s) support such deviations.)

The maximum average affordability is no greater than 60% of AMI across all CTCAC-restricted units.

## Maximum Allowable Rents

Rents for all restricted units must be underwritten at the lesser of either:

1. The CTCAC or locality maximum rents (whichever is applicable) based on the target occupancy; or
2. 10% below market rents, as evidenced by a current market study and/or appraisal, for the MIP affordability term.

This threshold will be analyzed at time of application and again at CalHFA's final commitment approval and may be monitored on an ongoing basis for the MIP affordability term. The report shall be current within 90 days of Agency's final commitment and may be subject to a new or updated report if the appraisal was completed more than 90 days prior to construction and/or permanent loan closing, in the Agency's sole discretion.

Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents not to exceed 30% of the applicable income restriction (target occupancy) required in the Agency's Regulatory Agreements.

## Mixed-Income Subordinate Loan Rates & Terms

- **Interest Rate:** 3% simple interest. A higher simple interest rate may be used at time of MIP Loan closing in the event the true debt test is at risk for tax credit purposes.
- **Loan Term:** The MIP Loan term shall be coterminous with the CalHFA permanent first lien loan and is due upon prepayment of the CalHFA permanent first lien loan.
- **Lien Position:** MIP Loan shall be in second lien position, after the CalHFA permanent first lien loan.

- **Loan Payment:** “Surplus cash” is determined as net operating income minus total debt service on CalHFA loans and other Agency approved payments. Surplus cash distributions shall permit 50% to Borrower and 50% shall be paid pro rata as “Residual Receipts” between CalHFA and other governmental residual receipt lenders only. Payments shall be applied to the current and/or accrued interest and then principal of the MIP Loan. Residual Receipts may be shared with “non-governmental” lenders providing subordinate financing; however, the terms of payment and subordination are subject to CalHFA’s sole discretion and approval.
- **Affordability Term:** 55 years.
- **Prepayment:** The MIP Loan may be prepaid at any time without penalty.
- **Funded:** Only at permanent loan conversion.

## CalHFA Conduit Issuer & Bond Recycling Programs (subject to change)

For more information on conduit issuer and bond recycling rates and terms, refer to [CalHFA’s Conduit Issuer Program](#) and [Bond Recycling Program](#) term sheets.

## CalHFA Permanent First Lien Rates & Terms (subject to change)

For more information on permanent first lien rates and terms, refer to [CalHFA’s Tax-Exempt Permanent Loan Program term sheet](#).

## Fees (subject to change)

- **Loan Fee:** 1.00% of the loan amount (50% due at final commitment and 50% due at MIP Loan closing).
- **Conduit Issuer Program Fees:** Refer to CalHFA Conduit Issuer Program term sheet.
- **CDLAC Fees:** Refer to CDLAC regulations for all applicable fees.
- **Other Fees:** Refer to CalHFA Tax-Exempt Permanent Loan Program term sheet for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. ■



Project Name	Developer	City	County	Total Units	Cumulative Units	CalHFA Perm Loan	Cumulative Perm Loan Amount	MIP Amount	Cumulative MIP Amount
<b>Sutter Street</b>	Martin McNerney Development, Inc.	San Francisco	San Francisco	102	102	\$ 15,366,334	\$ 15,366,334	\$ 4,000,000	\$ 4,000,000
<b>The Walk Residences</b>	Primestor Development, Inc.	Norwalk	Los Angeles	56	158	\$ 7,689,138	\$ 23,055,472	\$ 2,800,000	\$ 6,800,000
<b>Vera Avenue Apartments</b>	Summix, LLC	Redwood City	San Mateo	178	336	\$ 26,102,000	\$ 49,157,472	\$ 4,000,000	\$ 10,800,000
<b>Maison's Village - Phase II</b>	Ravello Holdings, Inc.	Palmdale	Los Angeles	191	527	\$ 28,500,000	\$ 77,657,472	\$ 1,600,000	\$ 12,400,000
<b>Julian Street Studios</b>	JSL Real Estate Corporation	San Jose	Santa Clara	305	832	\$ 38,360,000	\$ 116,017,472	\$ 4,000,000	\$ 16,400,000
<b>North City Affordable</b>	Carmel Enterprise, LLC	San Marcos	San Diego	224	1,056	\$ 31,026,780	\$ 147,044,252	\$ 4,000,000	\$ 20,400,000
<b>Holt and Main</b>	Meta Development, LLC	Pomona	Los Angeles	160	1,216	\$ 18,090,000	\$ 165,134,252	\$ 4,000,000	\$ 24,400,000
<b>Monarch</b>	Mutual Housing California	Sacramento	Sacramento	241	1,457	\$ 22,089,000	\$ 187,223,252	\$ 4,000,000	\$ 28,400,000
<b>Monterey Family Apartments</b>	ROEM Development Corporation	Gilroy	Santa Clara	94	1,551	\$ 18,309,000	\$ 205,532,252	\$ 1,500,000	\$ 29,900,000
<b>St. Luke's Affordable</b>	Rise Urban Partners	San Diego	San Diego	78	1,629	\$ 7,158,175	\$ 212,690,427	\$ 3,900,000	\$ 33,800,000
<b>Sandstone Valley Apartments</b>	Bold Capital LLC	Murrieta	Riverside	96	1,725	\$ 8,040,936	\$ 220,731,363	\$ 4,000,000	\$ 37,800,000
<b>831 Water Street</b>	Novin Development Corp.	Santa Cruz	Santa Cruz	140	1,865	\$ 32,668,423	\$ 253,399,786	\$ 4,000,000	\$ 41,800,000
<b>BUSD Workforce Housing</b>	Satellite Affordable Housing Associates	Berkeley	Alameda	110	1,975	\$ 10,273,000	\$ 263,672,786	\$ 4,000,000	\$ 45,800,000
<b>Hesperian Square*</b>	Meta Development, LLC	Hayward	Alameda	410	2,385	\$ 81,719,000	\$ 345,391,786	\$ 4,000,000	\$ 49,800,000
<b>Crenshaw Crossing Phase I</b>	Expo Crenshaw Apartments, LP	Los Angeles	Los Angeles	176	2,561	\$ 28,482,000	\$ 373,873,786	\$ 4,000,000	\$ 53,800,000
<b>Stagecoach Station</b>	CRP Affordable Housing and Community De	Belmont	San Mateo	128	2,689	\$ 26,440,396	\$ 400,314,182	\$ 4,000,000	\$ 57,800,000
<b>Jubilo Village</b>	Community Corporation of Santa Monica	Culver City	Los Angeles	95	2,784	\$ 19,945,487	\$ 420,259,669	\$ 3,750,000	\$ 61,550,000
<b>Viscar Terrace Apartments</b>	Community Development Partners	Murrieta	Riverside	172	2,956	\$ 25,074,277	\$ 445,333,946	\$ 4,000,000	\$ 65,550,000
<b>Sierra Vista Apartments</b>	Koroni LLC	Roseville	Placer	176	3,132	\$ 21,784,170	\$ 467,118,116	\$ 2,575,000	\$ 68,125,000
<b>Bella Vista Apartments</b>	Alliant Strategic Development, LLC	Bay Point	Contra Costa	124	3,256	\$ 16,630,000	\$ 483,748,116	\$ 4,000,000	\$ 72,125,000
<b>Avenue 44 Apartments</b>	Pacific West Communities, Inc.	Indio	Riverside	180	3,436	\$ 15,700,000	\$ 499,448,116	\$ 2,000,000	\$ 74,125,000
<b>Victory Boulevard</b>	Linc Housing Corporation	Los Angeles	Los Angeles	194	3,630	\$ 34,538,949	\$ 533,987,065	\$ 4,000,000	\$ 78,125,000
<b>River City Apartments</b>	Chelsea Investment Corporation	Sacramento	Sacramento	66	3,696	\$ 7,070,000	\$ 541,057,065	\$ 3,535,000	\$ 81,660,000
<b>Cornerstone Village Elk Grove</b>	Cornerstone Village - Elk Grove, LP	Sacramento	Sacramento	84	3,780	\$ 5,000,000	\$ 546,057,065	\$ 2,500,000	\$ 84,160,000
<b>Alvarado Creek Apartments</b>	Golden West Communities LLC	San Diego	San Diego	227	4,007	\$ 35,000,000	\$ 581,057,065	\$ 2,600,000	\$ 86,760,000
<b>Anton Deerwood</b>	Anton DevCo	San Ramon	Contra Costa	131	4,138	\$ 22,144,000	\$ 603,201,065	\$ 4,000,000	\$ 90,760,000
<b>Q Street Apartments</b>	Community HousingWorks	Sacramento	Sacramento	104	4,242	\$ 10,229,000	\$ 613,430,065	\$ 4,000,000	\$ 94,760,000
<b>Yosemite Family Apartments</b>	Xander Dev Co LLC	Manteca	San Joaquin	264	4,506	\$ 19,000,000	\$ 632,430,065	\$ 4,000,000	\$ 98,760,000
<b>87th and Western</b>	Innovative Housing Opportunities, Inc.	Los Angeles	Los Angeles	160	4,666	\$ 10,133,000	\$ 642,563,065	\$ 4,000,000	\$ 102,760,000
<b>West Creek North</b>	Self-Help Enterprises	Fresno	Fresno	121	4,787	\$ 10,473,000	\$ 653,036,065	\$ 4,000,000	\$ 106,760,000
<b>910 Wetherly Drive</b>	West Hollywood Community Housing Corpo	West Hollywood	Los Angeles	89	4,876	\$ 5,017,535	\$ 658,053,600	\$ 2,508,751	\$ 109,268,751
<b>Metro at Melrose</b>	USA Multi-Family Development, Inc.	Placentia	Orange	189	5,065	\$ 32,465,000	\$ 690,518,600	\$ 4,000,000	\$ 113,268,751
<b>The Crawford</b>	USA Multi-Family Development, Inc.	Roseville	Placer	265	5,330	\$ 41,340,000	\$ 731,858,600	\$ 4,000,000	\$ 117,268,751

\*Ineligible due to Sponsor Cap

continues

Project Name	Developer	City	Volume Cap	Cumulative Volume Cap	Total STC	Cumulative STC	CDLAC Tie Breaker	CDLAC Ranking	CalHFA MIP Final Rank
<b>Sutter Street</b>	Martin McNerney Development, Inc.	San Francisco	\$ 40,195,709	\$ 40,195,709	\$ 20,827,692	\$ 20,827,692	135%	1	1
<b>The Walk Residences</b>	Primestor Development, Inc.	Norwalk	\$ 22,540,611	\$ 62,736,320	\$ -	\$ 20,827,692	121%	2	2
<b>Vera Avenue Apartments</b>	Summix, LLC	Redwood City	\$ 45,365,000	\$ 108,101,320	\$ 23,969,101	\$ 44,796,793	110%	3	3
<b>Maison's Village - Phase II</b>	Ravello Holdings, Inc.	Palmdale	\$ 34,410,000	\$ 142,511,320	\$ 9,573,068	\$ 54,369,861	104%	4	4
<b>Julian Street Studios</b>	JSL Real Estate Corporation	San Jose	\$ 65,400,000	\$ 207,911,320	\$ 36,054,485	\$ 90,424,346	103%	5	5
<b>North City Affordable</b>	Carmel Enterprise, LLC	San Marcos	\$ 55,700,000	\$ 263,611,320	\$ 20,581,563	\$ 111,005,909	91%	7	6
<b>Holt and Main</b>	Meta Development, LLC	Pomona	\$ 37,500,000	\$ 301,111,320	\$ 21,000,000	\$ 132,005,909	95%	6	6
<b>Monarch</b>	Mutual Housing California	Sacramento	\$ 55,161,072	\$ 356,272,392	\$ 8,811,593	\$ 140,817,502	81%	10	9
<b>Monterey Family Apartments</b>	ROEM Development Corporation	Gilroy	\$ 28,570,598	\$ 384,842,990	\$ 15,209,048	\$ 156,026,550	84%	9	9
<b>St. Luke's Affordable</b>	Rise Urban Partners	San Diego	\$ 16,750,000	\$ 401,592,990	\$ 3,839,198	\$ 159,865,748	79%	12	11
<b>Sandstone Valley Apartments</b>	Bold Capital LLC	Murrieta	\$ 25,652,201	\$ 427,245,191	\$ 14,503,816	\$ 174,369,564	80%	11	12
<b>831 Water Street</b>	Novin Development Corp.	Santa Cruz	\$ 50,273,157	\$ 477,518,348	\$ 12,477,384	\$ 186,846,948	79%	13	13
<b>BUSD Workforce Housing</b>	Satellite Affordable Housing Associates	Berkeley	\$ 39,443,118	\$ 516,961,466	\$ 9,131,114	\$ 195,978,062	79%	14	14
<b>Hesperian Square*</b>	Meta Development, LLC	Hayward	\$ 130,000,000	\$ 646,961,466	\$ 71,000,000	\$ 266,978,062	87%	8	8
<b>Crenshaw Crossing Phase I</b>	Expo Crenshaw Apartments, LP	Los Angeles	\$ 73,064,608	\$ 720,026,074	\$ 3,230,134	\$ 270,208,196	76%	16	15
<b>Stagecoach Station</b>	CRP Affordable Housing and Community De	Belmont	\$ 56,234,837	\$ 776,260,911	\$ 30,676,787	\$ 300,884,983	77%	15	15
<b>Jubilo Village</b>	Community Corporation of Santa Monica	Culver City	\$ 39,118,432	\$ 815,379,343	\$ 16,667,018	\$ 317,552,001	76%	17	17
<b>Viscar Terrace Apartments</b>	Community Development Partners	Murrieta	\$ 49,903,001	\$ 865,282,344	\$ 21,900,540	\$ 339,452,541	75%	18	18
<b>Sierra Vista Apartments</b>	Koroni LLC	Roseville	\$ 38,055,774	\$ 903,338,118	\$ 10,414,814	\$ 349,867,355	74%	19	19
<b>Bella Vista Apartments</b>	Alliant Strategic Development, LLC	Bay Point	\$ 35,500,000	\$ 938,838,118	\$ 15,136,167	\$ 365,003,522	72%	20	20
<b>Avenue 44 Apartments</b>	Pacific West Communities, Inc.	Indio	\$ 35,000,000	\$ 973,838,118	\$ 14,120,000	\$ 379,123,522	72%	21	21
<b>Victory Boulevard</b>	Linc Housing Corporation	Los Angeles	\$ 69,013,413	\$ 1,042,851,531	\$ 33,602,362	\$ 412,725,884	69%	22	22
<b>River City Apartments</b>	Chelsea Investment Corporation	Sacramento	\$ 18,805,557	\$ 1,061,657,088	\$ 5,279,999	\$ 418,005,883	67%	23	23
<b>Cornerstone Village Elk Grove</b>	Cornerstone Village - Elk Grove, LP	Sacramento	\$ 28,300,000	\$ 1,089,957,088	\$ 13,089,320	\$ 431,095,203	65%	24	24
<b>Alvarado Creek Apartments</b>	Golden West Communities LLC	San Diego	\$ 64,000,000	\$ 1,153,957,088	\$ 28,230,000	\$ 459,325,203	65%	25	25
<b>Anton Deerwood</b>	Anton DevCo	San Ramon	\$ 41,000,000	\$ 1,194,957,088	\$ 20,278,408	\$ 479,603,611	65%	26	26
<b>Q Street Apartments</b>	Community HousingWorks	Sacramento	\$ 30,032,936	\$ 1,224,990,024	\$ 11,394,200	\$ 490,997,811	61%	27	27
<b>Yosemite Family Apartments</b>	Xander Dev Co LLC	Manteca	\$ 56,000,000	\$ 1,280,990,024	\$ 28,850,000	\$ 519,847,811	57%	28	28
<b>87th and Western</b>	Innovative Housing Opportunities, Inc.	Los Angeles	\$ 66,517,366	\$ 1,347,507,390	\$ 32,842,730	\$ 552,690,541	52%	29	29
<b>West Creek North</b>	Self-Help Enterprises	Fresno	\$ 35,276,000	\$ 1,382,783,390	\$ 9,209,431	\$ 561,899,972	51%	30	30
<b>910 Wetherly Drive</b>	West Hollywood Community Housing Corpo	West Hollywood	\$ 45,503,514	\$ 1,428,286,904	\$ 914,741	\$ 562,814,713	50%	31	31
<b>Metro at Melrose</b>	USA Multi-Family Development, Inc.	Placentia	\$ 49,000,000	\$ 1,477,286,904	\$ 22,926,749	\$ 585,741,462	45%	32	32
<b>The Crawford</b>	USA Multi-Family Development, Inc.	Roseville	\$ 62,350,000	\$ 1,539,636,904	\$ 9,252,681	\$ 594,994,143	35%	33	33



## MEMORANDUM

**To:** Board of Directors **Date:** June 20, 2024

**From:** Rebecca Franklin, Director of Enterprise Risk Management and Compliance  
California Housing Finance Agency

**Subject:** Agenda Item 12 – California Mortgage Relief Program Update

The CalHFA Homeowner Relief Corporation (CalHRC) launched the California Mortgage Relief Program in December 2021 to provide assistance to California homeowners that have struggled to make housing payments due to COVID-related economic disruption.

On May 1, 2024, the program executed the final phase of its Low-Funds plan, which meant closing the portal for new applications. The team continues to process applications that were received before that date and eligible homeowners will receive grants until funds are exhausted.

As has been the case throughout the run of the program, CalHRC will continue to direct applicants who do not receive funds to HUD-Certified Housing Counselors and Legal Assistance providers.

CalHFA was awarded \$1.055 billion in federal American Rescue Plan Act of 2021 Homeowner Assistance Funds for the program, the most sizeable allocation sent to any state by U.S. Treasury. States were permitted to direct 15% of their allocation to program administration. The program is now project to use less than 15% for administration and use the additional funds to provide even homeowner grants.

As of May 31, 2024, the program has provided more than 36,000 grants to homeowners.

### **Program expansions**

While it launched initially offering grants up to \$80,000 for California homeowners that were behind on mortgage payments, the program used data-driven analysis of the market and homeowner need to make various expansions to the guidelines that offer new opportunities for Californians struggling with housing payments to get help. These expansions included offering assistance to more homeowners behind on property taxes; homeowners who own and occupy multi-unit properties (1-4 units); homeowners

who got Partial Claims or Loan Deferrals to address delinquency; and homeowners who had already gotten assistance (with a cap of \$80,000 in total).

Most recently, the program expanded by moving the delinquency date guideline to February 2024 and providing assistance and principal reduction on Property Assessed Clean Energy (PACE) loans for homeowners who were referred to the program.

### **Successful program outcomes**

Bolstered by these expansions, the Mortgage Relief Program has produced the following metrics as of May 31, 2024:

- Processed 100,949 applications
- Awarded 36,398 grants to California households
- Disbursed \$883.8 million in assistance to households
  - 56% of grant funds have gone to Socially Disadvantaged Communities.
- Approved an average assistance amount of \$24,283



## MEMORANDUM

**To:** Board of Directors **Date:** June 20, 2024

**From:** Mehgie Tabar, Director of Legislation  
California Housing Finance Agency

**Subject:** Agenda Item 13 – Legislative Update

### Legislative Update

#### State Budget

Overview of the state budget process and what is proposed in this year's budget

*State Budget Process and 2024 Timeline*

*Housing Programs in the State Budget*

- CalHFA Programs
- Other Housing Programs

#### State Legislative Session

Overview of the states' legislative process and this session's housing legislation—what is and is not moving

*State Legislative Process and 2024 Timeline*

*Direct Impact to CalHFA*

- Passed First House
  - AB 1657 (Wicks) - The Affordable Housing Bond Act of 2024.
  - AB 1840 (Arambula) - California Dream for All Program: eligibility.
  - AB 2430 (Alvarez) - Planning and zoning: density bonuses: monitoring fees.
- Not Moving Forward
  - AB 2140 (Juan Carrillo) – Housing: Building Home Ownership for All Program.
  - AB 2665 (Lee) – Housing finance: Mixed Income Revolving Loan Program.

- AB 2674 (Schiavo) – The California Affordable and Foster Youth Housing Finance Innovation Act.
- SB 1007 (Bradford) - Housing: property assessment relief: grant program
- SB 1013 (Bradford) - Housing: property tax relief: grant program
- SB 1227 (Wiener) - Housing: San Francisco: Downtown Revitalization Zone: welfare tax and CEQA exemptions.

*Other Housing Bills Moving (including, but not limited to, bills involving the following subject areas: Local Government, Banking and Finance, Real Estate, Labor, Environmental, etc.)*

### **Federal Update**

- Overview of relevant federal legislation and 2024 path forward.



## MEMORANDUM

**To:** Board of Directors

**Date:** May 16, 2024

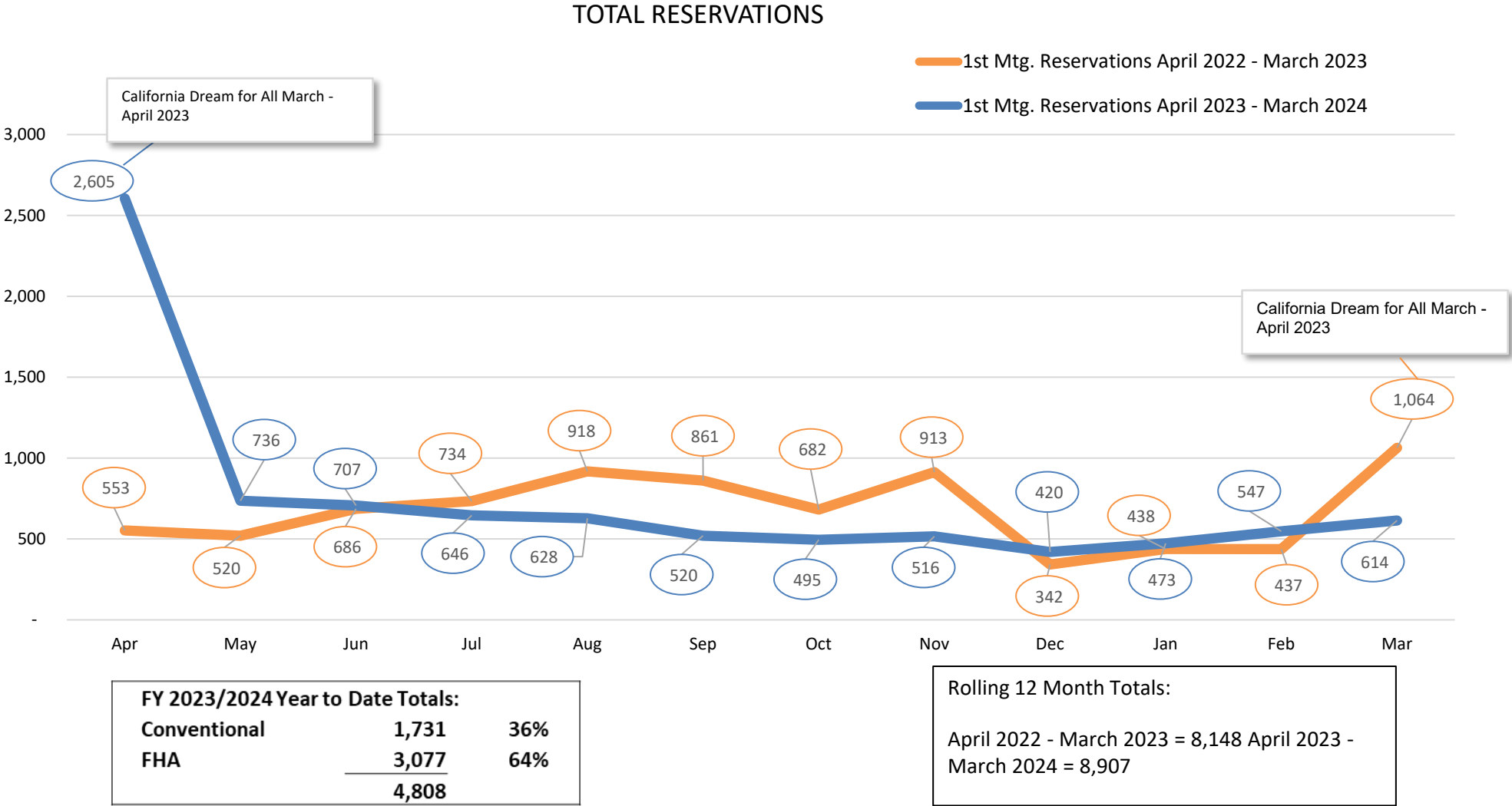
**From:** Ellen Martin, Director of Homeownership Programs  
California Housing Finance Agency

**Subject:** Agenda Item 14A – Single Family Loan Production report

Attached please find the Single-Family Loan Production report for the period March 2024.



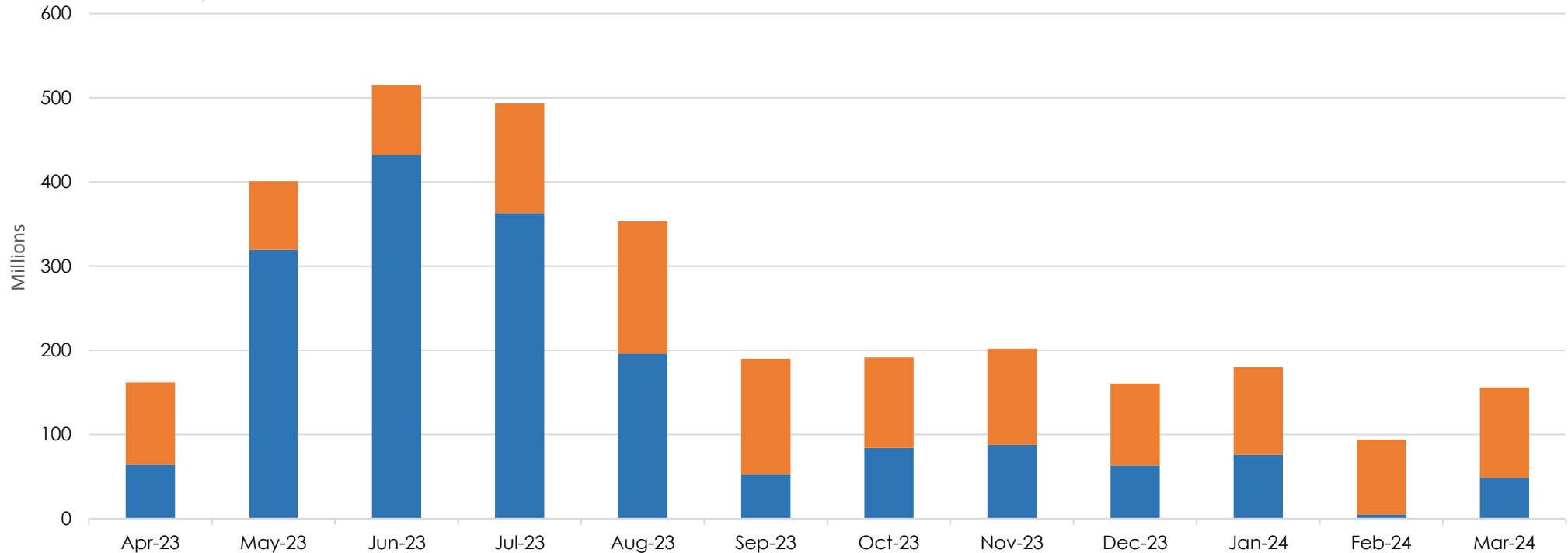
# Total Reservations April 2023 – March 2024







April 2023 – March 2024 Securitized First Mortgages



FY 2023/24 Year to Date Totals:

Government (47%)

FHA with ZIP	112	\$	43,299,220
FHA no ZIP	2,443	\$	994,856,360
VA	18	\$	7,390,694
USDA	13	\$	3,593,355
	2,586	\$	1,049,139,629

Total 4,756 \$ 2,025,171,501

Conventional Government

Conventional (53%)

Conventional with ZIP	66	\$	29,324,987
Conventional no ZIP	1,155	\$	556,215,374
LI/VLI Conventional with ZIP	14	\$	4,133,320
LI/VLI Conventional no ZIP	236	\$	77,634,613
DFA Conventional	699	\$	308,723,578
	2,170	\$	976,031,872



Lending by Region  
By count for past 12 mos. securitized or funded  
April 2023 - March 2024

Lending by Region

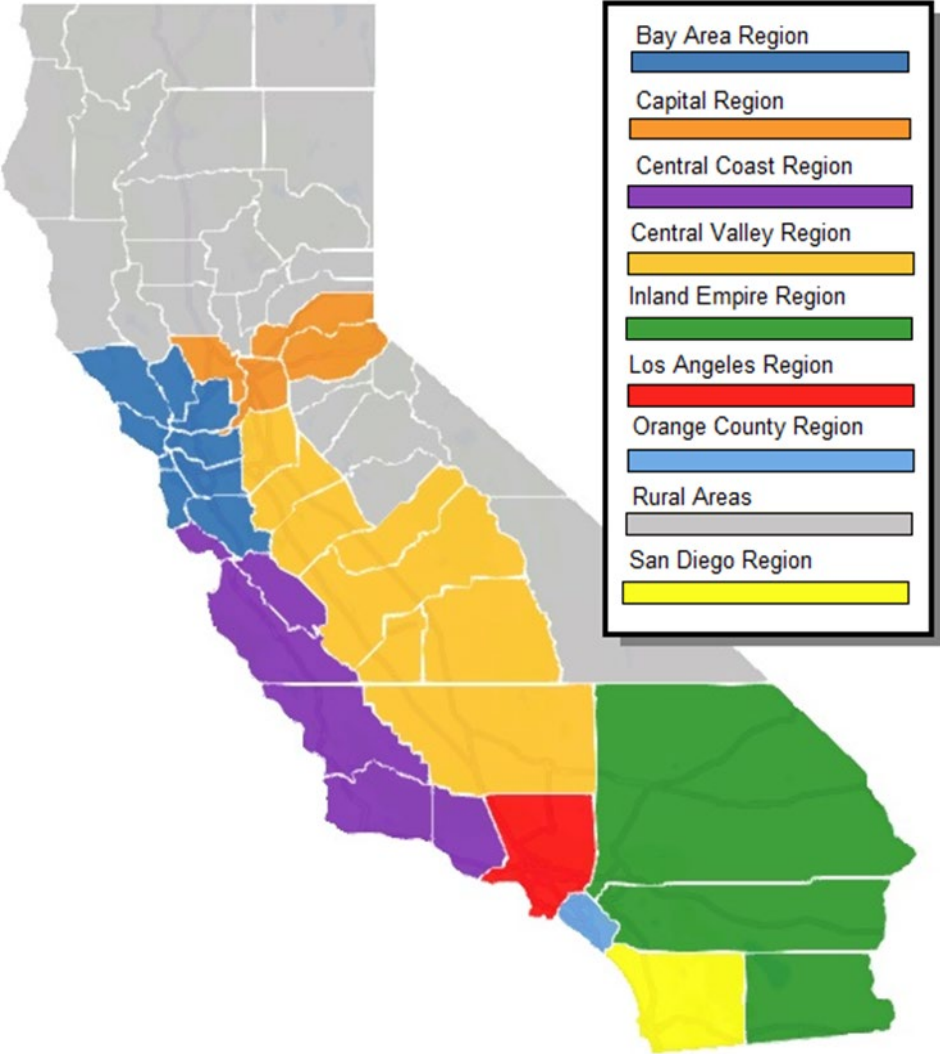
By count for past 12 mos. securitized or funded  
Apr 2023 - Mar 2024

MyHome – 5,177 Homeowners

Bay Area Region	12%
Capital Region	12%
Central Coast Region	2%
Central Valley Region	33%
Inland Empire Region	19%
Los Angeles Region	7%
Orange County Region	1%
Rural Areas	11%
San Diego Region	3%

Dream for All Loan – 2,176 Homeowners

Bay Area Region	19%
Capital Region	16%
Central Coast Region	4%
Central Valley Region	21%
Inland Empire Region	14%
Los Angeles Region	9%
Orange County Region	5%
Rural Areas	7%
San Diego Region	5%



Note that this number reflects first mortgages securitized in the last 12 months and therefore varies from the total reservations reported on Slide 2 and Fiscal YTD securitized mortgages reported on Slide 3.



## MEMORANDUM

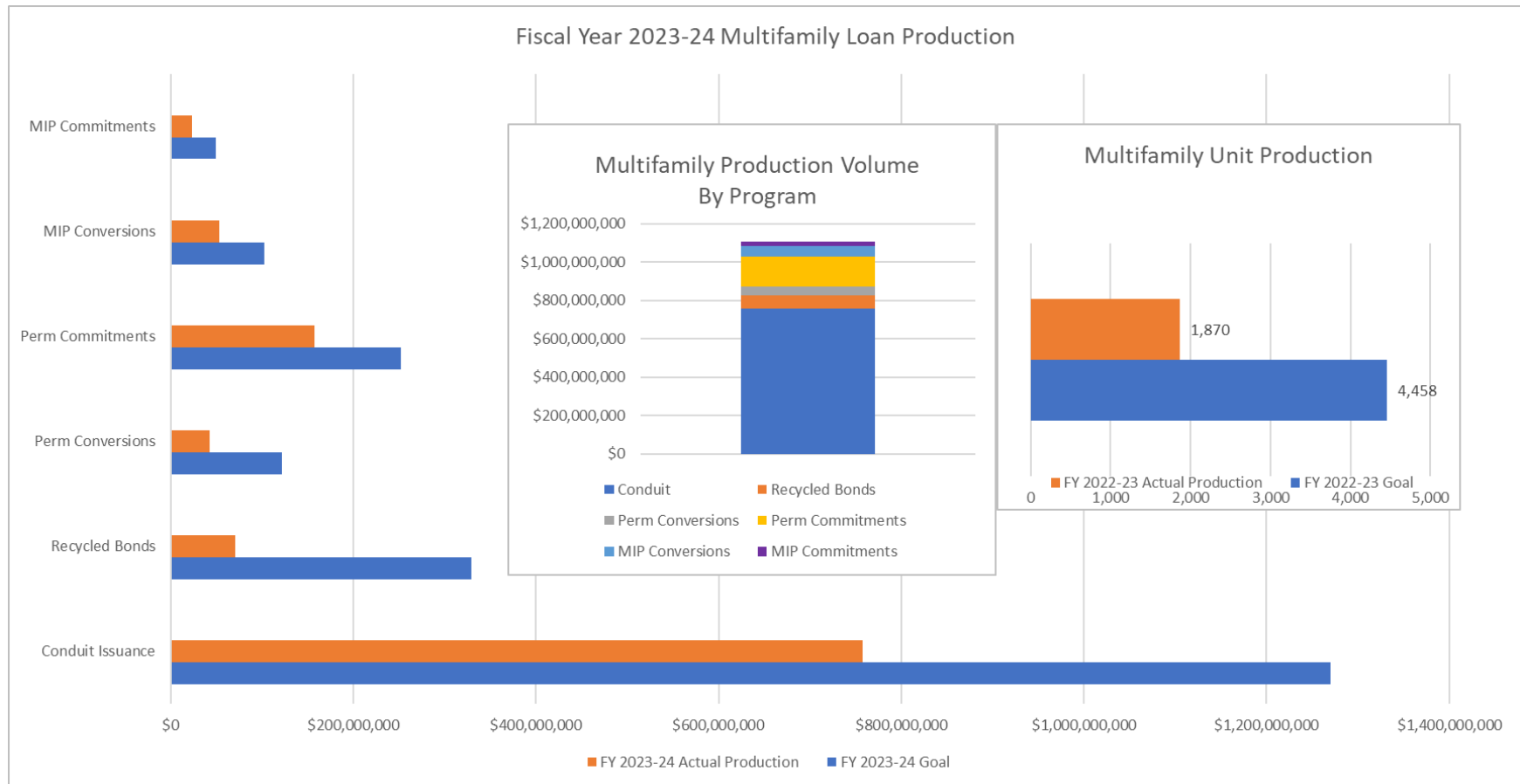
**To:** Board of Directors **Date:** June 20, 2024

**From:** Kate Ferguson, Director of Multifamily Programs  
California Housing Finance Agency

**Subject:** Agenda Item 14B – Multifamily Quarterly Loan Production Report

CalHFA offers a variety of loan programs with competitive rates and long-term financing to advance the creation and preservation of affordable housing for people who truly need it. CalHFA's Taxable, Tax-Exempt, and/or CalHFA funded Permanent Loan programs provide competitive long-term financing for affordable multifamily rental housing projects. The CalHFA Mixed-Income Program provides competitive long-term subordinate financing for new construction multifamily housing projects restricting units between 30% and 120% of county Area Median Income. The CalHFA Conduit Issuer Program is designed to facilitate both for-profit and non-profit developers in accessing tax-exempt and taxable bonds for the financing of family and senior affordable and mixed-income housing developments. The goals of the programs are to increase and preserve the supply of affordable rental housing, maintain a quality living environment, leverage private sector funds to the greatest extent possible, and to cooperate with local jurisdictions to advance affordable housing goals.

## Multifamily Loan Volume as of March 31, 2024



	Conduit Issuance	Recycled Bonds	Perm Conversions	Perm Commitments	MIP Conversions	MIP Commitments	Total All Programs
FY 2023-24 Goal	\$1,269,901,116	\$329,395,335	\$121,411,000	\$252,000,000	\$102,790,968	\$50,000,000	\$2,125,498,419
FY 2023-24 Actual Production	\$758,072,795	\$70,274,088	\$42,926,146	\$157,443,929	\$53,678,315	\$23,839,000	\$1,106,234,273
Percent of Goal Complete	60%	21%	35%	62%	52%	48%	52%
FY 2023-34 Projected Production	\$1,550,251,282	\$176,152,759	\$111,735,128	\$293,284,904	\$81,809,530	\$41,370,976	\$2,254,604,579
Projected Percent of Goal Complete	122%	53%	92%	116%	80%	83%	106%

## FY 2023-24 Multifamily Loan Commitments as of March 31, 2024

<i>Multifamily Loan Commitments (Closed)</i>												
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Permanent	MIP	Subsidy
1	Anton Viridian	Conduit - MIP & Perm	Oakley	Family/Individual	7/18/2023	0	\$ 1,425,000.00	-	-	-	-	-
2	Junipers	Conduit - Reg Only	San Diego	Senior	8/25/2023	81	\$ 14,000,000.00	\$ 9,176,466.00	-	-	-	-
3	Chris Hartmire Plaza	Conduit - Reg Only	Pomona	Family/Individual	9/19/2023	90	\$ 58,000,000.00	-	-	-	-	-
4	Eucalyptus Grove Apartments	Conduit - Reg Only	Burlingame	Family/Individual	11/3/2023	69	\$ 37,774,909.00	\$ 19,500,000.00	-	-	-	-
5	The Pardes 1	Conduit - Reg Only	Elk Grove	Family/Individual	11/8/2023	96	\$ 28,371,084.00	\$ 4,900,000.00	\$ 3,500,000.00	-	-	-
6	West LA VA - MacArthur Field B	Conduit - Reg Only	Los Angeles	Special Needs/ Veterans	11/13/2023	75	\$ 23,500,000.00	\$ 17,000,008.00	-	-	-	-
7	West LA VA - Building 158	Conduit - Reg Only	Los Angeles	Special Needs/ Veterans	11/13/2023	49	\$ 25,295,192.00	\$ 1,691,021.00	-	-	-	-
8	Symphony at Del Sur	Conduit - Reg Only	San Diego	Family/Individual	11/15/2023	171	\$ 45,951,065.00	-	\$ 13,042,904.00	-	-	-
9	Vista Lane Affordable Apartments	Conduit - Reg Only	San Ysidro	Family/Individual	11/20/2023	100	\$ 22,973,674.00	\$ 7,120,000.00	\$ 4,446,388.00	-	-	-
10	Ira D. Hall Square	Conduit - MIP & Perm	Sunnyvale	Family/Individual, Homeless, Special Needs	12/20/2023	176	\$ 74,439,164.00	\$ 29,676,588.00	-	\$ 26,723,000.00	\$ 1,739,000.00	-
11	1400 Long Beach	Conduit - MIP & Perm	Long Beach	Family/Individual	2/15/2024	163	\$ 42,500,000.00	\$ 18,000,000.00	\$ 9,634,796.00	\$ 21,170,000.00	\$ 4,000,000.00	-
12	Stevens Creek Promenade	Conduit - MIP & Perm	San Jose	Family/Individual	2/16/2024	173	\$ 62,000,000.00	\$ 33,500,000.00	\$ 10,000,000.00	\$ 36,052,500.00	\$ 4,000,000.00	-
13	Demaree Street Apartments	Conduit - MIP & Perm	Visalia	Family/Individual, Special Needs	2/23/2024	222	\$ 39,000,000.00	\$ 10,780,893.00	\$ 6,000,000.00	\$ 19,437,000.00	\$ 4,000,000.00	-
14	Residency at the Mayer Hollywood	Conduit - Reg Only	Los Angeles	Senior	3/5/2024	0	\$ 11,500,000.00	-	-	-	-	-
15	The Gardens at Bella Breeze	Conduit - MIP & Perm	Lincoln	Family/Individual	3/8/2024	189	\$ 34,000,000.00	\$ 19,130,000.00	-	\$ 19,600,000.00	\$ 4,000,000.00	-
16	The Bluffs at 44th	Conduit - MIP & Perm	Capitola	Family/Individual	3/15/2024	36	\$ 19,522,000.00	\$ 8,845,731.00	-	\$ 12,196,429.00	\$ 2,100,000.00	-
17	Valley Pride Village	Conduit - MIP & Perm	Sylmar	Senior	3/28/2024	180	\$ 38,500,000.00	-	\$ 23,650,000.00	\$ 22,265,000.00	\$ 4,000,000.00	-
						1,870	\$578,752,088.00	\$179,320,707.00	\$70,274,088.00	\$157,443,929.00	\$23,839,000.00	\$0.00

<i>Multifamily Loan Commitments (Projected Closings)</i>											
<i>Q4 - 04/01/2024 - 06/30/2024</i>											
Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Permanent	MIP	Subsidy
Battery Point Apartments	Conduit - MIP & Perm	Crescent City	Family/Senior	4/25/2024	162	\$ 40,662,000.00	-	\$ 6,588,000.00	\$ 16,375,000.00	\$ 4,000,000.00	-
1612 Apartments	Conduit - MIP & Perm	Modesto	Family/Individual	4/25/2024	144	\$ 20,344,204.00	\$ 6,700,000.00	-	\$ 9,711,774.00	\$ 3,931,976.00	-
Maison's Sierra	Conduit - MIP & Perm	Lancaster	Family/Individual	5/1/2024	196	\$ 35,000,000.00	-	\$ 5,900,000.00	\$ 27,875,000.00	\$ 1,600,000.00	-
Devonwood Apartments	Conduit - MIP & Perm	Merced	Family/Individual	5/2/2024	156	\$ 39,396,408.00	\$ 11,290,135.00	-	\$ 10,885,201.00	\$ 4,000,000.00	-
Oceanview Gardens	Conduit - Reg Only	Berkeley	Family/Individual	5/10/2024	62	\$ 24,000,000.00	\$ 4,000,000.00	-	-	-	-
1633 Valencia	Conduit - Reg Only	San Francisco	Family/Individual, Homeless	5/17/2024	146	\$ 42,799,116.00	-	-	-	-	-
Humble Heart Apartments	Conduit - Reg Only	San Diego	Senior, Special Needs	5/21/2024	73	\$ 34,769,000.00	-	\$ 1,231,640.00	-	-	-
Potrero Power Station Block 7B (The Sophie Maxwell Building)	Conduit - Reg Only	San Francisco	Family/Individual	5/23/2024	105	-	-	\$ 53,600,000.00	-	-	-
All Hallows Apartments	Conduit - Reg Only	San Francisco	Family/Individual	5/23/2024	157	\$ 73,000,000.00	-	\$ 7,000,000.00	-	-	-
Shoreview Apartments	Conduit - Reg Only	San Francisco	Family/Individual	5/23/2024	156	\$ 71,000,000.00	-	\$ 8,000,000.00	-	-	-
Bayview Apartments	Conduit - Reg Only	San Francisco	Family/Individual	5/23/2024	146	\$ 57,000,000.00	-	\$ 404,000.00	-	-	-
La Salle Apartments	Conduit - Reg Only	San Francisco	Family/Individual	5/23/2024	145	\$ 63,500,000.00	-	\$ 8,000,000.00	-	-	-
Ridge View Commons	Conduit - Reg Only	Pleasanton	Family/Individual	5/29/2024	200	\$ 39,668,600.00	-	-	-	-	-
Playa Del Alameda Apartments	Conduit - Reg Only	Alameda	Family/Individual	5/29/2024	40	\$ 14,370,000.00	\$ 1,580,000.00	-	-	-	-
Meridian Family Apartments	Conduit - MIP & Perm	San Jose	Family/Individual	5/30/2024	233	\$ 91,400,000.00	\$ 40,000,000.00	-	\$ 70,994,000.00	\$ 4,000,000.00	-
Bandar Salaam	Conduit - Reg Only	San Diego	Family/Individual	5/31/2024	68	\$ 13,285,369.00	-	\$ 2,155,031.00	-	-	-
Avenue 34	Conduit - Reg Only	Los Angeles	Family/Individual	6/1/2024	0	\$ 1,400,000.00	-	-	-	-	-
Lion Creek Crossings I	Conduit - Reg Only	Oakland	Family/Individual	6/4/2024	115	\$ 27,045,422.00	\$ 4,022,592.00	-	-	-	-
Lion Creek Crossings II	Conduit - Reg Only	Oakland	Family/Individual	6/4/2024	146	\$ 31,296,180.00	\$ 4,649,461.00	-	-	-	-
Farmdale	Conduit - Reg Only	North Hollywood	Family/Individual	6/27/2024	26	-	-	\$ 13,000,000.00	-	-	-
					2,476	\$719,936,299.00	\$72,242,188.00	\$105,878,671.00	\$135,840,975.00	\$17,531,976.00	\$0.00

**Note:** Projects with '0' as the unit count had their units counted in a previous fiscal year.

## FY 2023-24 Multifamily Loan Conversions as of March 31, 2024

<i>Multifamily Loan Conversions (Closed)</i>									
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	MIP Loan Amount	Subsidy Loan Amount
1	The Helm	Conduit - MIP	San Diego	Family/Individual	10/5/2023	78	-	\$ 3,785,968.00	-
2	Mosaic on Mission	Conduit - MIP	Hayward	Family/Individual	10/18/2023	140	-	\$ 5,000,000.00	-
3	Glen Loma Ranch	Conduit - MIP	Gilroy	Family/Senior	10/19/2023	158	-	\$ 7,850,000.00	-
4	Salvator Apartments	Conduit - MIP & Perm	Sacramento	Family/Individual	10/20/2023	120	\$ 13,609,845.00	\$ 7,287,347.00	-
5	Courtyards at Kimball	Conduit - MIP	National City	Family/Individual	11/1/2023	131	-	\$ 6,500,000.00	-
6	The Monarch at Chinatown	Conduit - PTO	Fresno	Family/Individual	12/6/2023	57	\$ 1,885,000.00	-	\$ 775,000.00
7	One Lake Family Apartments	Conduit - MIP & Perm	Fairfield	Family/Individual	2/7/2024	190	\$ 27,431,301.00	\$ 14,255,000.00	-
8	Antioch Senior & Family Apartments	Conduit - MIP	Antioch	Family/Senior	2/9/2024	394	-	\$ 3,000,000.00	-
9	Arena Senior	Conduit - MIP	Sacramento	Senior	3/20/2024	240	-	\$ 6,000,000.00	-
						1,508	\$42,926,146.00	\$53,678,315.00	\$775,000.00

<i>Multifamily Loan Conversions (Projected Closings)</i>									
<i>Q4 - 04/01/2024 - 06/30/2024</i>									
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	MIP Loan Amount	Subsidy Loan Amount
	Brand Haven Senior Apartments	Conduit - MIP & Perm	Fresno	Senior	4/9/2024	180	\$ 11,505,982.00	\$ 4,181,215.00	-
	Gateway Rising	Conduit - PTO	Menlo Park	Family/Individual	4/11/2024	140	\$ 44,364,000.00	-	\$ 3,500,000.00
	ARY Place	Conduit - MIP	Sacramento	Family/Individual	4/24/2024	159	-	\$ 7,900,000.00	-
	Beacon Villa	Conduit - MIP & Perm	Pittsburg	Family/Individual	4/29/2024	54	\$ 12,939,000.00	\$ 6,350,000.00	-
	Village at Burlingame	Conduit - MIP	Burlingame	Family/Senior	6/27/2024	132	-	\$ 9,700,000.00	-
						665	\$ 68,808,982.00	\$ 28,131,215.00	\$ 3,500,000.00

**Note:** All Multifamily Loan Conversion projects listed had their units counted in a previous fiscal year.



## MEMORANDUM

**To:** Board of Directors **Date:** June 20, 2024

**From:** Kate Ferguson, Director of Multifamily Programs  
California Housing Finance Agency

**Subject:** Agenda Item 14C – Asset Management Quarterly Portfolio  
Report for Period Ending December 31, 2023

The CalHFA Asset Management Portfolio is comprised of 646 projects with a balance of \$1,268,737,102 in financing as of December 31, 2023. The CalHFA portfolio consists of 18,001 affordable regulated units throughout the State of California.

The portfolio is broken down by type of program as follows:

1	Section 8 (Contract Administrator)
96	CalHFA Permanent (Risk Share)
205	CalHFA Permanent (Non-Risk Share)
180	Mental Health Services Act
31	Special Needs Housing Program
92	Conduit
40	Section 811 (Contract Administrator)
645	Total

The portfolio has a low delinquency rate of 0.1%, which is only two projects.

There are two projects on the Watch List for various issues such as untimely submission of annual financial reports, lack of compliance with the regulatory agreement, or pending completion of physical improvements recommended at time of inspection.

### Preservation Strategy

There are 37 loans on 39 projects (three projects have two or more CalHFA loans)



scheduled to mature within the next five years. The Multifamily program has initiated a preservation strategy of the existing portfolio in an effort to extend affordability of the CalHFA financed projects.

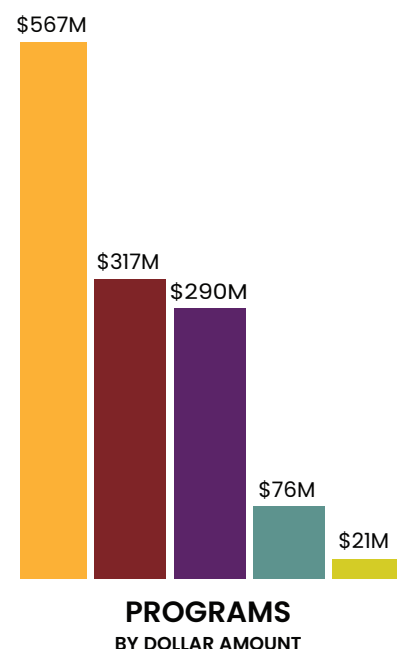
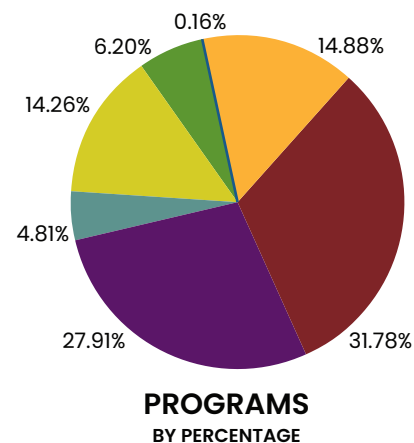
The goals of the Multifamily Asset Management Program are to increase and preserve the supply of affordable housing, assure the maintenance of a quality living environment, assure the projects are financially sound and sustainable, and to cooperate with local jurisdictions to advance affordable housing throughout the state.



## Asset Management Quarterly Portfolio Report As of December 31, 2023

### Programs

TYPE	PROJECTS		UPB	
	#	%	\$	%
Section 8 Program - Contract Administrator	1	0.16%	\$ 0	0.0%
CalHFA Permanent - Risk Share	96	14.88%	\$ 569,898,729	44.8%
CalHFA Permanent - Non Risk Share	205	31.78%	\$ 317,282,415	25.0%
Mental Health Services Act	180	27.91%	\$ 286,424,935	22.6%
Special Needs Housing Program	31	4.81%	\$ 76,431,024	6.0%
Conduit	92	14.26%	\$ 20,700,000	1.6%
Section 811 - Contract Administrator	40	6.20%	\$ 0	0.0%
<b>TOTAL</b>	<b>645</b>	<b>100.0%</b>	<b>\$1,268,737,102</b>	<b>100.0%</b>



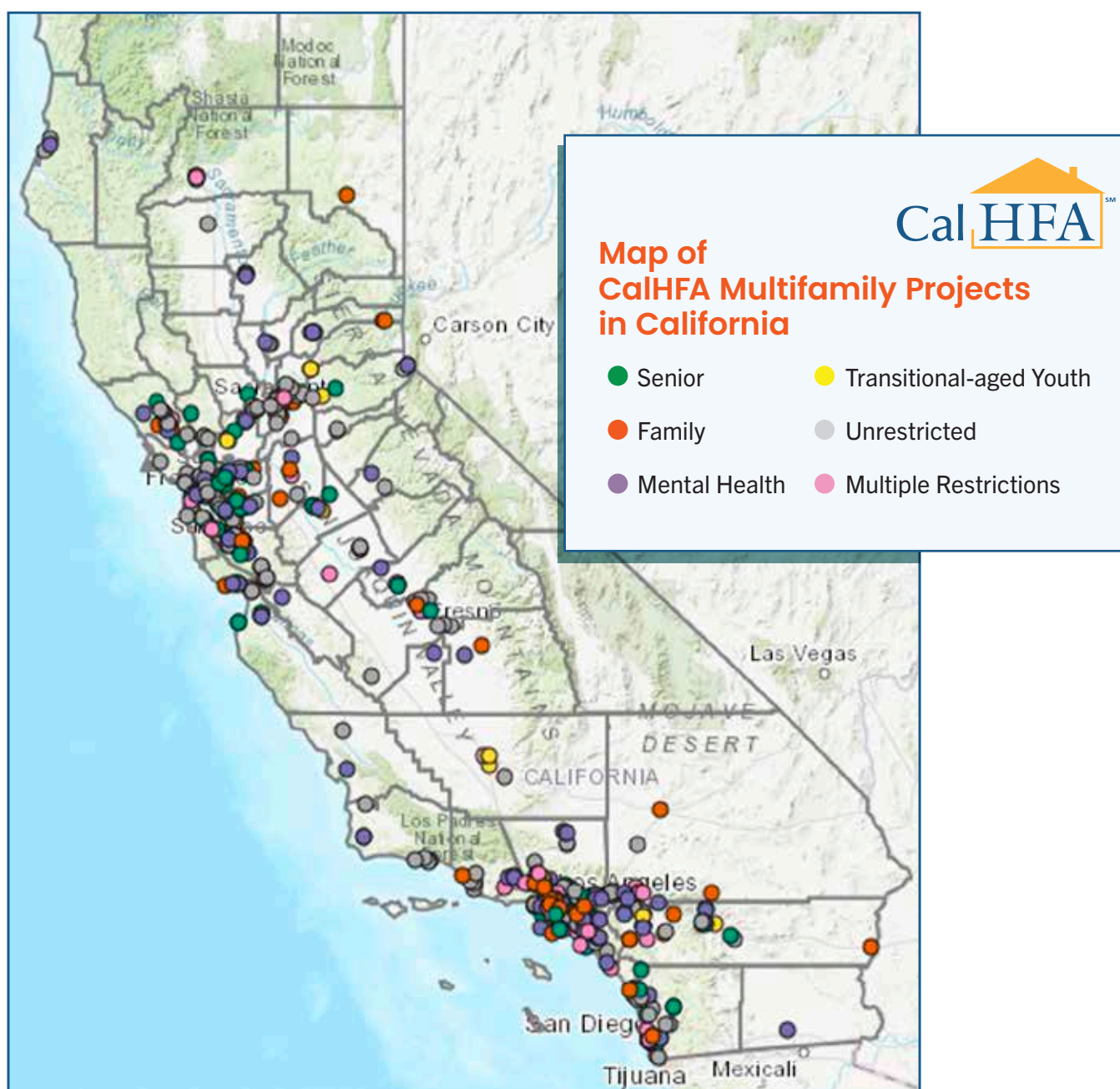
\* The unpaid principal balance is based on 432 existing projects with loan balances. The portfolio continues to maintain projects without loan balances for purposes of affordability requirements and compliance. 214 projects are being reviewed and maintained for compliance purposes only.

### Preservation Risk Indicators

TYPE	PROJECTS		UPB	
	#	%	\$	%
Regulatory Agreement Expires ≤5 years	49	7.60%	\$ 18,640,792	1.5%
Loans Mature ≤5 Years	37	5.74%	\$ 13,692,884	1.1%
Yield Maintenance Requests (last quarter)	5	0.78%	\$ 11,232,908	0.9%

## Financial Risk Indicators

TYPE	PROJECTS		UPB	
	#	%	\$	%
Projects with DCR < 1.0	32	4.96%	\$ 85,767,104	6.8%
Watch List	2	0.31%	\$ 1,852,148	0.1%
Delinquencies	2	0.31%	\$ 1,082,192	0.1%





## MEMORANDUM

**To:** Board of Directors

**Date:** June 20, 2024

**From:** Kate Ferguson, Director of Multifamily Programs  
California Housing Finance Agency

**Subject:** Agenda Item 14D – Asset Management Quarterly Portfolio Report for Period Ending March 31, 2024

The CalHFA Asset Management Portfolio is comprised of 651 projects with a balance of \$1,288,180,166 in financing as of March 31, 2024. The CalHFA portfolio consists of 18,067 affordable regulated units throughout the State of California.

1	Section 8 (Contract Administrator)
99	CalHFA Permanent (Risk Share)
199	CalHFA Permanent (Non-Risk Share)
177	Mental Health Services Act
34	Special Needs Housing Program
99	Conduit
42	Section 811 (Contract Administrator)
651	Total

The portfolio has a low delinquency rate of 0.1%, which is only two projects. There are two projects on the Watch List for various issues, such as untimely submission of annual financial reports, lack of compliance with the regulatory agreement, or pending completion of physical improvements recommended at time of inspection.

### Preservation Strategy

There are 37 loans on 39 projects (three projects have two or more CalHFA loans) scheduled to mature within the next five years. The Multifamily Program has initiated a preservation strategy of the existing portfolio in an effort to extend affordability of the CalHFA financed projects.

The goals of the Multifamily Asset Management Program are to increase and preserve the supply of affordable housing, assure the maintenance of a quality living environment, assure the projects are financially sound and sustainable, and to cooperate with local jurisdictions to advance affordable housing throughout the state.

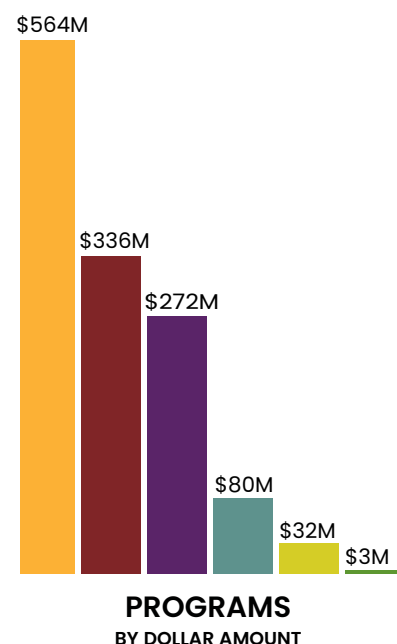
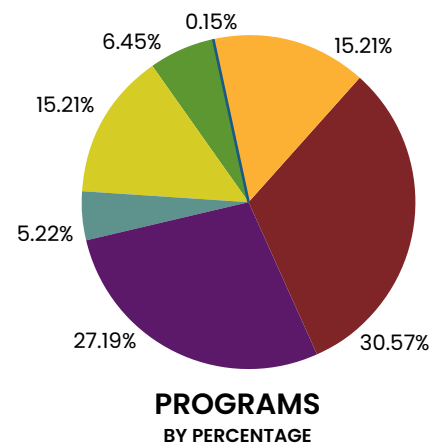


# Asset Management Quarterly Portfolio Report

## As of March 31, 2024

### Programs

TYPE	PROJECTS		UPB	
	#	%	\$	%
Section 8 Program - Contract Administrator	1	0.15%	\$ 0	0.0%
CalHFA Permanent - Risk Share	99	15.21%	\$ 564,290,498	43.8%
CalHFA Permanent - Non Risk Share	199	30.57%	\$ 335,989,400	26.1%
Mental Health Services Act	177	27.19%	\$ 271,929,949	21.1%
Special Needs Housing Program	34	5.22%	\$ 80,219,095	6.2%
Conduit	99	15.21%	\$ 32,335,968	2.5%
Section 811 - Contract Administrator	42	6.45%	\$ 3,415,256	0.3%
<b>TOTAL</b>	<b>651</b>	<b>100.0%</b>	<b>\$1,288,180,166</b>	<b>100.0%</b>



\* The unpaid principal balance is based on 432 existing projects with loan balances. The portfolio continues to maintain projects without loan balances for purposes of affordability requirements and compliance. 214 projects are being reviewed and maintained for compliance purposes only.

### Preservation Risk Indicators

TYPE	PROJECTS		UPB	
	#	%	\$	%
Regulatory Agreement Expires ≤5 years	44	6.76%	\$ 10,534,064	0.8%
Loans Mature ≤5 Years	37	5.68%	\$ 12,583,718	1.0%
Yield Maintenance Requests (last quarter)	2	0.31%	\$ 19,939,563	0.8%

## Financial Risk Indicators

TYPE	PROJECTS		UPB	
	#	%	\$	%
Projects with DCR < 1.0	2	0.31%	\$ 93,039	0.0%
Watch List	2	0.31%	\$ 1,852,148	0.1%
Delinquencies	2	0.31%	\$ 966,965	0.1%

