



Public Meeting Agenda

California Housing Finance Agency New Opportunities Committee  
Thursday, July 25, 2024  
10:00 a.m.

500 Capitol Mall  
14<sup>th</sup> Floor Main Conference Room  
Sacramento, CA 95814  
916.326.8000

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

[https://www.youtube.com/live/pcHE\\_9Tmd9o](https://www.youtube.com/live/pcHE_9Tmd9o)

- 1. Roll Call
- 2. Chairperson comments
- 3. Review and discuss proposed Committee Charter (Claire Tauriainen) ..... 1
- 4. Review and discuss proposed methodology for considering new business opportunities (Chris Shultz and Erwin Tam) ..... 5
- 5. Review and discuss areas of focus for new business opportunities (Chris Shultz and Erwin Tam) ..... 7
- 6. Other committee matters
- 7. Public comment: Opportunity for members of the public to address the Committee on matters within the Committee’s authority
- 8. Adjournment

NOTES\*\*

Public parking for 500 Capitol Mall is available at:1) Building parking structure with entrance on N street (\$2 per 20 minutes, \$6 per hour, \$24 daily maximum); 2) Limited metered street parking; and 3) Other nearby parking structures (costs vary)



## MEMORANDUM

**To:** New Opportunities Committee Members      **Date:** July 25, 2024

**From:** Claire Tauriainen, General Counsel  
California Housing Finance Agency

**Subject:** Agenda Item 3 – Review and discuss proposed Committee Charter

The proposed Charter is meant as a flexible structure for the Committee members to consider as guideposts for evaluation of new loan products. The Charter is offered to Committee members for review, amendments, and adoption.

**California Housing Finance Agency**  
**New Opportunities Committee Charter**  
**July 2024**

**MISSION**

The New Opportunities Committee ("Committee") of the Board of Directors (the "Board") of the California Housing Finance Agency ("Agency") will assist the Board in fulfilling its governance responsibilities in evaluating new loan products, lending programs, and lines of business consistent with the Board-approved Strategic Plan and Business Plan. In performing its duties, the Committee will advise on the feasibility of new initiatives considering the Agency's limited capital and personnel resources. The Committee will also make recommendations to the Board regarding the revision, refinement, prioritization, or improvement of loan product or lending program concepts.

**COMPOSITION**

The Committee will be comprised of no fewer than three (3) members of the Board, to be selected by the Chairperson of the Board to serve on a rotational basis.

**AUTHORITY**

As described in Board Resolution 79-72, the Board Chair creates this Committee. The Committee will act in an advisory capacity to the Board regarding new loan products and Agency lending programs. Management and staff will serve as a resource to the Committee in furthering their understanding of the Agency's lending products and programs. All employees of the Agency are directed to cooperate as requested by members of the Committee.

**MEETINGS**

The Committee will meet as often as its members determine is necessary. The Committee will report its proceedings and recommendations to the full Board, at the first regular meeting of the Board following a Committee meeting. The Committee may be dissolved at the discretion of the Board Chair. All meetings of the Committee shall be open public meetings subject to the same notice and agenda procedures as are regular meetings of the Board.

**MINUTES**

Minutes of each meeting will be prepared and sent to all members of the Board. The Committee minutes need not be verbatim. Minutes of the meetings are public records unless exempted under the California Public Records Act or other applicable law.

**DUTIES**

The New Opportunities Committee will conduct the following activities:

1. Evaluate the feasibility of new loan products and business lines for the Agency, considering Agency resources and capabilities, market conditions, affordable housing needs in California, and risks to the Agency of any particular undertaking.
2. Explore feasibility of funding sources and structures, including but not limited to the risks and benefits of all funding sources.
3. Conduct an analysis of any loan product's revenue generation versus the tangible and intangible costs of such loan product, including but not limited to long-term viability, impact in the affordable housing sphere, and the Agency's mission fulfillment.
4. Assess the anticipated viability of any lending opportunity for the Agency in the market, including but not limited to expected long and short-term impacts for low and moderate-income Californians.
5. Confer with Agency management, staff, and any other affordable housing industry experts to inform Committee recommendations.
6. Consistent with the Board-approved Strategic Plan and Business Plan, make recommendations to the Board regarding the creation of new loan products in both the Multifamily and Single Family lending programs.

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RESOLUTION 79-72

AUTHORIZING AND DIRECTING APPOINTMENT OF BOARD OFFICERS  
AND COMMITTEES AND ESTABLISHING COMMITTEE  
QUORUM AND VOTE REQUIREMENT

BE IT RESOLVED by the Board of Directors of the California  
Housing Finance Agency as follows:

Article I.

BOARD OFFICERS AND COMMITTEES

Section 1.01 Appointment of Officers and Committees. The  
Chairperson of the Board of Directors shall name a Vice Chairper-  
son and, from time to time, may establish Committees of same,  
consisting of members of the Board, which shall have such pur-  
poses as charged including investigating and studying questions,  
making decisions and recommendations, and issuing reports. The  
Chairperson may also assign Committee non-voting membership  
to any non-voting Board member.

Section 1.02 Committee Quorum and Vote Requirement. A  
Committee quorum shall consist of a majority of voting Committee  
members then in office. Committee action shall be by a majority  
affirmative vote of a quorum.

I hereby certify that this is a true and correct copy of Reso-  
lution 79-72 adopted at a duly constituted meeting of the Board  
of Directors of the California Housing Finance Agency held on \_\_\_\_\_

*June 19, 1979*

ATTEST:



Stuart Honse  
Secretary



## MEMORANDUM

**To:** New Opportunities Committee Members      **Date:** July 25, 2024

**From:** Chris Shultz, Chief Deputy Director  
Erwin Tam, Director of Financing  
California Housing Finance Agency

**Subject:** Agenda Item 4 – Review and discuss proposed concept review methodology for considering new business opportunities

In order to promote consistent apples-to-apples comparisons of new business opportunities, staff proposes the attached concept review methodology.

Committee members may wish to discuss whether the proposed format contains all relevant items that would aid the committee in review of potential new business opportunities.



## New Opportunities Committee

### New opportunity concept review methodology

**Program Concept:** [one sentence]

**Preliminarily viable:** [yes/no/explain]

**Policy or Business Objective:** [e.g., supply incentive, support for other Admin priorities, revenue diversification, referencing relevant portion of the Business Plan]

**Funding Source:** [CalHFA capital, bond indenture, state general funds, etc.]

**Preliminary estimate of capital required:** [range of start-up and/or ongoing capital required]

**Preliminary estimated 5-year revenue:** [range, discuss options]

**Preliminary estimated 5-year costs:** [new operating budget, technology, or staff required; effort required from existing staff, IT, partners]

**Other benefits:** [e.g., revenue diversification, other secondary public policy or business goals]

**Challenges and Other Considerations:** [Specific trade-offs; opportunity costs; other considerations]

**Process/Timeframe:** [high level description of next steps and timeline to implement – e.g., 1 month versus 18 months]



## MEMORANDUM

**To:** New Opportunities Committee Members      **Date:** July 25, 2024

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

**Subject:** Agenda Item 5 – Review and discuss areas of focus for new business opportunities

The attachment for Agenda Item 5 contains two lists:

- Potential new opportunities included in 24-25 Strategic Business Plan – the Board approved these items for consideration by staff during fiscal year.
- Potential new opportunities not included in 24-25 Strategic Business Plan – this list includes potential business opportunities staff is tracking.

The subcommittee may want to informally discuss prioritization of items for presentation at future meetings of the New Opportunities Committee.





## New Opportunities Committee

### Potential new opportunities included in 24-25 Strategic Business Plan

#### **ADU Financing**

- Research opportunities for Accessory Dwelling Unit (ADU) financing, given federal changes. [Goal 1, Objective 2, Initiative 5]

#### **Middle Income**

- Explore opportunities to partner with local public agencies to support the development and operation of affordable multifamily housing in California. [Goal 2, Objective 1, Initiative 1]

#### **Shared Appreciation**

- Explore potential shared appreciation loan product alternatives and potential partnerships. [Goal 1, Objective 2, Initiative 6]

#### **MIP Replacement/Supplement**

- Identify multifamily lending alternatives that could be executed if State Tax Credits are no longer available to pair with MIP. [Goal 1, Objective 3, Initiative 1]

#### **Infill/Adaptive**

- Explore the development of preconstruction loan products for infill and adaptive reuse development. [Goal 1, Objective 3, Initiative 4]

#### **Expand Partnerships with FFB/FHLB**

- 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. [Goal 2, Objective 2, Initiative 2]

#### **New SF Programs**

- Evaluate potential new product offerings, including to assist in increasing entry-level homeownership supply and downpayment assistance for conventional manufactured home loans, and coordinate with HCD on potential synergies. [Goal 1, Objective 2, Initiative 4]

**Potential new opportunities not included in 24-25 Strategic Business Plan**

- Rescue or Work Out Fund – acquire projects experiencing challenges, add affordability covenants, hold or sell
- Deeper ELI/VLI lending at reduced profitability
- Performance-Based Contract Administration for Section 8