



Public Meeting Agenda

California Housing Finance Agency Board of Directors
 Thursday, October 24, 2024
 10:00 a.m.

Meeting Location:
 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/live/xpfGZ2yGKLY>

1. Roll Call
2. Approval of the minutes of the June 20, 2024 meeting minutes 1
3. Chairperson/Executive Director comments
4. Report from the Executive Evaluation Committee
5. Closed session pursuant to Government Code Section 11126(a)(1) to consider the appointment of a Director of Multifamily Programs
6. Report from closed session
7. Discussion, recommendation, and possible action to appoint and set salary for a Director of Multifamily Programs (Jennifer LeBoeuf) 6
- Resolution No. 24-19 10**
8. Report from the New Opportunities Committee
9. Report from the Audit Committee
10. Discussion, recommendation, and possible action to amend the Audit Committee Charter (Rebecca Franklin) 12
- Proposed Audit Committee Charter (redlined) 17

Proposed Audit Committee Charter (clean)	21
Resolution No. 24-20	24
11. Update on California Dream for All Phase 2 (Ellen Martin)	
12. Informational written reports:	
A. Single Family Loan Production report	26
B. Multifamily Quarterly Loan Production report	30
C. Asset Management Quarterly Portfolio report	34
D. Agency Bonds, Interest Rate Swaps and Financing Risk Factors report	38
E. Annual Investment report	42
F. End-of-Session Legislative report	45
13. Other Board matters	
14. Public comment: Opportunity for members of the public to address the Board on matters within the Board's authority	
15. Adjournment	

NOTES

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

MINUTES

California Housing Finance Agency (CalHFA) Board of Directors Meeting

June 20, 2024

Meeting noticed on June 10, 2024

1. Roll Call

The California Housing Finance Agency Board of Directors Meeting was called to order at 10:30 a.m. by Chair Cervantes. A quorum of members was present.

MEMBERS PRESENT: Ballmer (for Ma), Cabildo, Cervantes, Feigles (for Sin), Johnson Hall, Limon, Moss, Prince, Velasquez, White

MEMBERS ARRIVING

AFTER ROLL CALL: None

MEMBERS ABSENT: Assefa, Perrault (for Stephenshaw), Avila Farias, Russell, Sotelo, Williams

STAFF PRESENT: Chris Shultz, Marc Victor, Jennifer LeBoeuf, Rebecca Franklin, Erwin Tam, Kate Ferguson, Mehgie Tabar, Courtney Pond

Early departures: Moss (replaced by Kergan at 12:03)

2. Approval of the Minutes – March 21, 2024

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

3. Chairperson/Executive Director comments

Chairperson comments:

- Chair Cervantes welcomed everyone to the meeting. He informed the Board that the Executive Evaluation Committee met earlier in the morning and would share their recommendations to the Board later in the meeting.

Executive Director comments:

- Johnson Hall announced that Kate Ferguson, Director of Multifamily Programs, is leaving CalHFA next month and wished her well on her future professional endeavors.
- She recently participated in several events including the National Housing Conference Awards ceremony and the National Council of State Housing Agencies Credit Connect conference.
- The California Dream for All Program received approximately 18,000 applications. Voucher notifications are expected to be sent to 1,700 qualified first-generation homebuyers within the next few weeks. Applications are currently being audited and qualified homebuyers will be randomly selected.
- CalHFA has been certified as a Great Place to Work for the third consecutive year.

4. Update on Fiscal Year 2023-24 Q3 Strategic Plan and Operating Budget

Presented by Rebecca Franklin and Erwin Tam

Franklin and Tam provided the Board with the third quarterly update on the 2023-24 Strategic Plan and Operating Budget. They reviewed the Agency's goals, strategic objectives, and operating budget. Franklin indicated that the multifamily unit count is forecasted to be 400 units below the goal for FY 2023-24, however, revenues are on track.

5. Discussion of the March workshop summary and outcomes

Presented by Chris Shultz

Shultz provided the Board with a summary of the March workshop and shared that four ideas that resulted from those discussions have been incorporated into the 2024-2025 Business Plan.

6. Discussion, recommendation, and possible action to adopt Proposed Business Plan for Fiscal Year 2024/25 – Resolution No. 24-15

Presented by Rebecca Franklin, Erwin Tam, and Chris Shultz

On a motion by Cabildo the Board approved **Resolution No. 24-15**, as amended. The votes were as follows:

AYES: Cabildo, Cervantes, Moss, Limon, Ballmer (for Ma), Prince, Feigles (for Sin), Velasquez, White

NOES: None

ABSTENTIONS: None

ABSENT: Avila Farias, Russell, Sotelo, Williams

7. Discussion, recommendation, and possible action to adopt Proposed Operating Budget for Fiscal Year 2024/25 – Resolution No. 24-16

Presented by Erwin Tam and Chris Shultz

On a motion by Prince, the Board approved **Resolution No. 24-16**. The votes were as follows:

AYES: Cabildo, Cervantes, Moss, Limon, Ballmer (for Ma), Prince, Feigles (for Sin), Velasquez, White

NOES: None

ABSTENTIONS: None

ABSENT: Avila Farias, Russell, Sotelo, Williams

8. Report from the Executive Evaluation Committee

Presented by Jim Cervantes

Cervantes informed the group that the EEC met earlier in the day to discuss Resolutions 24-17 and 24-18. The EEC members unanimously agreed to recommend that the Board adopt both Resolutions.

9. Discussion, recommendation, and possible action to adopt a salary range adjustment for key exempt management staff – Resolution No. 24-17

Presented by Jennifer LeBoeuf and Chris Shultz

On a motion by White, the Board approved **Resolution No. 24-17**. The votes were as follows:

AYES: Cabildo, Cervantes, Kergan (for Moss), Limon, Ballmer (for Ma), Prince, Feigles (for Sin), Velasquez, White

NOES: None

ABSTENTIONS: None

ABSENT: Avila Farias, Russell, Sotelo, Williams

10. Discussion, recommendation, and possible action to adjust the salary of the Executive Director based on the 2022/2023 performance evaluation – Resolution 24-18

Presented by Jennifer LeBoeuf and Chris Shultz

On a motion by Velasquez, the Board approved **Resolution No. 24-18**. The votes were as follows:

AYES: Cabildo, Cervantes, Kergan (for Moss), Limon, Ballmer (for Ma), Prince, Feigles (for Sin), Velasquez, White

NOES: None

ABSTENTIONS: None

ABSENT: Avila Farias, Russell, Sotelo, Williams

11. Update on the 2024 CalHFA Mixed-Income Program

Presented by Kate Ferguson

Ferguson provided the Board with a high-level overview of the Mixed-Income Program since its inception in 2019. Since the program began in 2019, 58 projects have closed their construction financing for the development of 9,651 units. The Mixed-Income Program portfolio is geographically diverse, and the population served has an average Area Median Income of 54%.

12. Update on the California Mortgage Relief Program

Presented by Rebecca Franklin

Franklin provided the Board with an update on the California Mortgage Relief Program, which began accepting applications in December 2021. Since that time, the program has helped nearly 36,000 households in California. The program closed its application portal in May due to low funds and is currently winding down.

13. Legislative Update

Presented by Mehgie Tabar

Tabar provided the Board with an overview of state and federal legislative activity, as well as an update on the state budget.

14. Informational written reports

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

15. Public comment

Chair Cervantes asked if there were any members of the public who wanted to provide public comments and there were none.

16. Adjournment

As there was no further business to be conducted, Chair Cervantes adjourned the meeting at 2:19 p.m.



MEMORANDUM

To: Board of Directors **Date:** October 24, 2024

From: Jennifer LeBoeuf, Director of Administration
California Housing Finance Agency

Subject: Agenda Item 7 – Discussion, recommendation, and possible action to appoint and set salary for a Director of Multifamily Programs

Background

Following the notification of Catherine (Kate) Ferguson's retirement, CalHFA began the search for new Director of Multifamily Programs. CalHFA engaged ThinkingAhead, an executive search firm that has been in business for over 35 years and specifically Courtney Rice, a partner with ThinkingAhead who specializes in recruiting for multifamily lending.

Courtney identified and reached out to over 140 potential candidates and posted the role on LinkedIn Jobs, CalHFA, and ThinkingAhead's websites, which resulted in an additional 22 candidates applying to the position. A short list of 17 possible candidates was established which was winnowed down to five outstanding candidates.

A panel of four of CalHFA's top leadership (Chief Deputy Director, Director of Financing, General Counsel, and Director of Administration) interviewed these five candidates and ranked them on core competencies and cultural fit.

After these panel interviews, the top two finalists were invited for a second interview with Executive Director, Tiena Johnson Hall, Board Chair, Jim Cervantes, and BCSH Deputy Secretary of Housing and Consumer Relations, Sasha Kergan. This panel was unanimous in its recommendation. ThinkingAhead then conducted extensive reference checks, verified education, and ran a thorough background check.

After this exhaustive search, staff will present the top candidate to the Board in closed session as the recommendation for the new CalHFA Director of Multifamily Programs. Following the Board's review and discussion in closed session, staff will make a recommendation in open session that said candidate be appointed and their salary established via the approval of Resolution 24-19.



DUTY STATEMENT

DIRECTOR OF MULTIFAMILY PROGRAMS

OUR VISION

All Californians living in homes they can afford

OUR MISSION

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

EMPLOYEE INFORMATION

Employee Name		Effective Date	
Classification Director of Multifamily Programs		Position Number 693-001-5826-901	
Division/Section/Unit Multifamily Programs Division		Location Sacramento, CA	
CBID E99	Work Week Group E	Tenure Permanent	Time Base Full-Time
Immediate Supervisor		Supervisor Classification Chief Deputy Director	

POSITION DESIGNATED CONFLICT OF INTEREST

This position is designated under the Conflict-of-Interest Code. The position is responsible for making or participating in the making of governmental decisions that may potentially have a material effect on personal financial interests. The appointee is required to complete Form 700 within 30 days of the appointment. Failure to comply with the Conflict-of-Interest Code requirements may void the appointment.

CONDUCT, ATTENDANCE, AND PERFORMANCE EXPECTATIONS

This position requires the incumbent to maintain acceptable, consistent, and regular attendance; communicate effectively orally and in writing in dealing with the public and/or other employees; develop and maintain knowledge and skills related to the position's specific tasks, methodologies, materials, tools, and equipment; complete assignments in a timely and efficient manner; and adhere to the Agency's policies and procedures regarding attendance, leave, and conduct. Must maintain regular and acceptable attendance at such level as is determined at the Agency's sole discretion. Must be regularly available and willing to work the hours the Agency determines are necessary or desirable to meet its business needs.

2 CCR § 172 – General Qualifications, states in pertinent part:

The incumbent is expected to possess the general qualifications of integrity, honesty, sobriety, dependability, industry, thoroughness, accuracy, good judgment, initiative, resourcefulness, courtesy, ability to work cooperatively with others, willingness and ability to assume responsibilities and to conform to the conditions of work characteristic of the employment, and a state of health, consistent with the ability to perform the assigned duties of the class.

DIVISION DESCRIPTION

The Multifamily Programs Division is responsible for the financing and ongoing management of the Agency's multifamily lending portfolio and subsidy programs. The division is comprised of two sections – Multifamily Lending and Asset Management. Multifamily Lending provides loans that facilitate the development, rehabilitation, and preservation of affordable housing projects by partnering with localities as well as for-profit and nonprofit developers. The Multifamily division also leverages, or increases the purchasing power of, other funding sources, including funds from other state agencies, allocations from the California Debt Limit Allocation Committee (CDLAC) and the California Tax Credit Allocation Committee (TCAC).

POSITION DESCRIPTION

Under administrative leadership and direction of the Chief Deputy Director, the Director of Multifamily Programs plans, organizes, and directs all Agency programs that provide financing for the acquisition, rehabilitation, and preservation or new construction of rental housing that includes the affordable rents for low- and moderate-income families and individuals. The Director of Multifamily Programs is responsible for developing and implementing the Agency's underwriting procedures and for the selection of projects to be financed as well as overseeing the multifamily housing portfolio via the Asset Management Division. The Director of Multifamily Programs leads and oversees CalHFA's Multifamily Lending and Asset Management

Employee's Name	
Classification Director of Multifamily Programs	Division/Section/Unit Multifamily Programs Division
functions and administers the Multifamily Rental Housing Programs. The duties and responsibilities include but are not limited to the following:	
PERCENTAGE OF TIME	ESSENTIAL FUNCTIONS
45%	<u>Leadership, Supervision, and Guidance</u> Provides supervision and guidance regarding the Agency's Multifamily Lending & Asset Management functions; in partnership with various outside entities, works to develop or refine the Agency's product delivery systems. These liaisons include non-profit organizations, for-profit developers, officials with commercial banks, savings and loans, realtors, mortgage bankers, local entities such as housing and redevelopment authorities, other state agencies, and numerous federal agencies.
20%	<u>Project Review and Presentations</u> Responsible for approving all multifamily projects prior to presentation at Senior Loan Committee and CalHFA's Board. Ensures that all projects meet CalHFA's standards prior to closing. Provides oral and written reports to the Executive Director, Chief Deputy Director, and senior staff of the Agency, as well as to the Board of Directors, regarding projects that are recommended for funding and other policy matters.
10%	<u>Business Development</u> Develops and maintains relationships with local housing agencies, affordable housing developers, and private lenders to expand CalHFA's lending footprint. Represents CalHFA at conferences and industry gatherings. Creates a new CalHFA Multifamily newsletter aimed specifically at the affordable housing industry.
10%	<u>Program Policy</u> Responsible for Agency policy formulation as it relates to multifamily lending and subsidy programs, including documents and manuals. Formulates policy with regard to new CalHFA multifamily programs and in response to a changing business environment.
10%	<u>Strategic Planning</u> Advises the Executive Director, Chief Deputy Director, and senior staff with regard to all Program matters and strategic business decisions. This includes establishing Program goals and strategies for the Agency's 5-Year Business Plan.
PERCENTAGE OF TIME	MARGINAL FUNCTIONS
5%	Participates in senior management and staff meetings, attends training, handles special projects, and performs other duties as required.
PERSONAL CONTACTS <i>(Identify who the employee may be in contact with while performing duties)</i>	
<ul style="list-style-type: none"> Daily contact with the public, all levels of departmental staff, and representatives from other State, Federal, and county agencies, and regular contact with multifamily developers. 	
SPECIAL REQUIREMENTS <i>(Identify any other requirements necessary to perform the job)</i>	
<ul style="list-style-type: none"> N/A 	
WORK ENVIRONMENT <i>(Identify specific work conditions, hazards, and equipment used on the job that are required to perform the essential functions, please include the applicable statement (s))</i>	
<ul style="list-style-type: none"> Prolonged sitting Work in a high-rise building Use a computer keyboard and read from computer screens several hours a day 	
PHYSICAL ABILITIES <i>(Identify physical abilities necessary to perform the essential functions of the job with or without reasonable accommodation, please include the applicable statement(s))</i>	
<ul style="list-style-type: none"> Be able to lift and carry up to 20 lbs. 	

Employee's Name		
Classification Director of Multifamily Programs		Division/Section/Unit Multifamily Programs Division
TRAVEL <i>(If travel is an essential function for this position, please include the applicable statement. If travel is non-essential, please select Occasional Travel)</i>		
<ul style="list-style-type: none"> Occasional travel may be required within and/or outside the state of California via private or public transportation (i.e., automobile, airplane, etc.) Travel will/may include overnight stay. 		
EMPLOYEE ACKNOWLEDGEMENT I have read and understand the duties listed above and I certify that I possess essential personal qualifications including integrity, initiative, dependability, good judgment, and ability to work cooperatively with others; and a state of health consistent with the ability to perform the assigned duties as described above with or without reasonable accommodation. (If a reasonable accommodation is necessary, discuss your concerns with the hiring supervisor. If unsure of a need for reasonable accommodation, inform the hiring supervisor, who will discuss your concerns with Human Resources.)		
Employee Name	Employee Signature	Date
SUPERVISOR ACKNOWLEDGEMENT I certify this duty statement represents a current and accurate description of the essential functions of this position. I have discussed the duties of this position with the employee and provided the employee with a copy of this duty statement.		
Supervisor Name	Supervisor Signature	Date

RESOLUTION APPOINTING DIRECTOR OF MULTIFAMILY PROGRAMS

1. Applicant (name withheld to protect privacy) is hereby appointed to the position of Director of Multifamily Programs of the California Housing Finance Agency, serving under the general direction of the Chief Deputy Director, effective upon the administration of the Oath of Office at an annual salary of \$210,000.

1 SECRETARY'S CERTIFICATE

2
3 I, Marc Victor, the undersigned, Secretary of the Board of Directors of the California
4 Housing Finance Agency, hereby certify that the foregoing is a full, true, and correct copy of
5 Resolution No. 24-19 duly adopted at the meeting of the Board of Directors of the California
6 Housing Finance Agency duly called and held on the 24th day of October, 2024, of which
7 meeting all said board members had due notice; and that at said meeting said Resolution was
8 adopted by the following vote:
9

10 AYES:

11
12 NOES:

13
14 ABSTENTIONS:

15
16 ABSENT:

17
18 IN WITNESS WHEREOF, I have executed this certificate hereto this 24th day of
19 October 2024.
20
21

22
23 ATTEST: _____
24 Marc Victor
25 Secretary of the Board of Directors of the
California Housing Finance Agency



MEMORANDUM

To: Board of Directors **Date:** October 24, 2024

From: Rebecca Franklin, Acting Chief Deputy Director
California Housing Finance Agency

Subject: Agenda Item 10 – Discussion, recommendation, and possible action to amend the Audit Committee Charter

Background

The Audit Committee was originally created in 2006 by Resolution 06-08 (attachment I) to act as an advisory Committee to the Board of Directors in matters dealing with the selection and retention of auditors and in the facilitation of audits of the Agency. The Audit Committee Charter was officially adopted by the Board of Directors, also in 2006, with the approval of Resolution 06-15 (attachment II).

As part of the annual review process, the Audit Committee (the "Committee") is required to evaluate and approve its Charter language and any proposed changes. This year, we have made significant updates to enhance our focus on enterprise risk management which also includes elements related to Information Technology (IT) security.

Expanded Focus on Enterprise Risk Management

As we navigate an increasingly complex risk landscape, it is essential that we adopt a more integrated approach to Enterprise Risk Management (ERM). A high-Level Summary of key enhancements include:

1. **Governance and Framework Review** – The Committee will oversee and recommend updates to the enterprise-wide risk management governance and framework, ensuring alignment with the Agency's Strategic Plan and key objectives.

2. **Risk Exposure Management** – The Committee will collaborate with management to identify and monitor significant and emerging enterprise risks, evaluate mitigation strategies, and report findings to the Board.
3. **IT Security as a Key Component** – Expanding charter language to recognize IT security as essential to the Agency's ERM strategy, focusing on risks related to data breaches, cyberattacks, and regulatory compliance.
4. **Regular Updates on IT Security Initiatives** – The Committee will receive ongoing updates regarding IT security initiatives, including vulnerability assessments and incident response strategies, to ensure we remain well-informed about our security posture.

These enhancements reflect our commitment to Enterprise Risk Management as CalHFA continues to serve communities and stakeholders through various housing initiatives. By adopting these updates, we aim to provide the Committee with a comprehensive understanding of the current risk landscape, thereby enabling informed decision-making.

RESOLUTION 06-08

RESOLUTION APPROVING CREATION OF AUDIT COMMITTEE

WHEREAS, the California Housing Finance Agency (the "Agency") is required by law to have audited financial statements of both the California Housing Finance Fund, and the California Housing Loan Insurance Fund, and

WHEREAS, the staff of the Agency has recognized that both corporate and public boards are playing an increasingly direct role in the oversight of auditors and audited financial statements; and

WHEREAS, the staff of the Agency has recommended that the Board create an audit committee for the purpose of providing the Board with direct involvement with auditors in connection with the preparation and review of such financial statements, as well as the retention of auditors by the Agency; and

WHEREAS, the Board of Directors of the Agency recognizes that having a direct role in the audit process will constitute a sound financial practice that will assist both the auditors and staff in the preparation and review of the audits, and benefit the Board and the Agency generally;

WHEREAS, the Board has determined that the best method of providing such a role would be through the creation of an audit committee consisting of three voting members of the Board of Directors, to which the Board would delegate the authority to develop policies and procedures relating to the retention of auditors by the Agency, and which would otherwise act in an advisory capacity to the Board concerning audits and related financial matters;

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

1. There is hereby created an audit committee of the Board of Directors, consisting of three voting members of the Board, to be selected by the Chairman of the Board annually or as otherwise required to fill vacancies.

2. The audit committee shall generally be advisory to the full Board of Directors, provided, however, that the Board delegates to the audit committee the

1 authority to create any internal procedures regarding the selection and retention of
2 auditors that the committee may deem appropriate.

3
4 3. The role of the audit committee shall be to meet with Agency staff and
5 outside auditors as necessary or desirable, to (i) develop any procedures necessary or
6 helpful in connection with the selection and retention of auditors; (ii) facilitate audits
7 of the Agency; (iii) review the scope of audits and any issues relating to such audits;
8 and (iv) to review proposed audit findings and other related financial issues. The
9 committee shall report to the full Board, at a regular meeting of the Board of Director
10 at least once a year , on the audit process and the results of such audits; and may take
11 such other actions as the Board may direct at such Board meetings .

12
13 4. All meetings of the audit committee shall be open public meetings.

14
15 I hereby certify that this is a true and correct copy of Resolution 06-08 adopted at a
16 duly constituted meeting of the Board of Directors of the Agency held on January 12,
17 2006, at Millbrae, California.

18
19
20
21 ATTEST: 
22 Secretary
23
24
25

RESOLUTION 06-15

RESOLUTION APPROVING AUDIT COMMITTEE CHARTER

WHEREAS, the California Housing Finance Agency (the "Agency") is required by law to have audited financial statements of both the California Housing Finance Fund, and the California Housing Loan Insurance Fund, and

WHEREAS, on January 12, 2006, the Board of Directors adopted Resolution 06-08, authorizing the creation of an audit committee of the Board; and

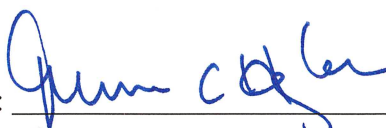
WHEREAS, the Chairman of the Board named Director Jack Shine as the Chairman of the audit committee, and Directors Carol Galante and Peter Carey as the additional members of the committee, as authorized by the terms of resolution 06-08; and

WHEREAS, the members of the committee and the staff of the Agency have developed a proposed charter for the committee;

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

1. The attached "Audit Committee Charter-May 2006" is hereby adopted by the Board.

I hereby certify that this is a true and correct copy of Resolution 06-15 adopted at a duly constituted meeting of the Board of Directors of the Agency held on July 6, 2006, at Sacramento, California.

ATTEST: 
Secretary

CALIFORNIA HOUSING FINANCE AGENCY
AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER
OctoberMay, 20242006

MISSIONPurpose, Role, and Functions

The Audit and Risk Management Committee (the “Committee”) ~~assists of~~ the Board of Directors ~~in of the Agency will assist the Board of Directors in fulfilling its oversight responsibilities in the area of financial reporting, and accounting integrity, and enterprise-wide risk management.~~ In performing its duties, the ~~Audit~~ Committee ~~will~~aims to maintain effective working relationships with the Board of Directors, ~~with~~ Agency executive management, ~~and~~ staff, and ~~with the Agency’s independent auditors.~~ ~~The Audit Committee has the authority to conduct any review appropriate to fulfilling its responsibilities. The committee will have direct access to independent auditors, as well as anyone in the organization.~~

COMPOSITIONMembership

The ~~Audit~~ Committee ~~will be~~shall consist of~~comprised of a minimum of no less than~~ three voting members ~~of the Board, to be~~ selected by the Chairman of the Board. Members will ~~to~~ serve on a rotational basis with staggered terms. The Chairman will appoint one member as the Chair of the Committee. All members should possess the appropriate qualifications, knowledge, skills, and experience to effectively carry out the Committee’s responsibilities. The Committee will oversee its own succession planning for Board approval.

AUTHORITYAuthority

The ~~Audit~~ Committee operates under limited powers ~~has certain limited powers delegated to it by Board Resolution 06-08, and serves will act in an advisory capacity to the Board concerning audits and related financial enterprise risk matters. Management, staff, and the independent auditor will provide serve as a resources to enhance the Committee’s in their understanding of the Agency’s financial reporting obligations, responsibilities and any significant issues related to financial reporting, and accounting, and risk management policies. All Agency employees of the Agency are expected directed to cooperate with the Committee as requested by members of the Committee. The Committee has the authority to conduct any review necessary to fulfill its responsibilities, including direct access to independent auditors and any other personnel within the organization. The Committee will review its duties and charter annually and make recommendations to the Board if it determines that any changes are appropriate.~~

MEETINGMeetings

The ~~Audit~~ Committee ~~shall~~will meet at least twice ~~per~~ a year, with additional meetings as requested by the Chair or other members. It will ~~The committee will also report to the full Board, at a regular meeting of the Board of Directors at least once a year regarding, on the audit processes and outcomes results of such audits. All meetings of the Committee of the committee~~

~~shall~~will be open ~~public meetings subject~~ to the public, following the same notice and agenda procedures as for meetings of the are regular full meetings of the Board meetings. ~~Agency staff will serve as staff to the committee.~~

~~MINUTES~~Minutes

Minutes of each meeting will be prepared and distributed sent to all Board members ~~of the Board~~. These ~~committee~~ minutes ~~need not~~not be verbatim and are considered. ~~Minutes of meetings are public records unless subject to the privileges and exemptions of under the California Public Records Act or other applicable law.~~

~~DUTIES~~Duties and Responsibilities

The ~~Audit~~ Committee will conduct its oversight activities in relation to the followingby:

Audit

~~Periodically reviewing with the assistance of Agency management, staff and independent auditors the Agency's policies and procedures. Part of this review shall include the direct inquiry of management and independent auditors about the significant risks or exposures and the steps management has taken to minimize such risk to the Agency.~~

1. Review with the staff and applicable independent auditors the scope and general extent of each such the independent auditor's examination, including direct inquiries regarding significant risks or exposures identified and management's strategies to mitigate those risks. -

~~The Audit Committee's review shall encompass include an understanding from the independent auditor of the factors considered in determining the audit scope, including:~~

- ~~a. Industry and business risk characteristics of the Agency~~
- ~~a~~b. External reporting requirements
- ~~b~~e. Materiality of the various segments of the Agency's activities
- ~~c~~d. Quality of the Agency's internal control structure
- ~~d~~e. Other areas to be covered during the audit engagement

- ~~3. Review with the Agency's management, staff and independent auditors, Upon the~~
2. completion of their audit, review and discuss with Agency's management, staff, and independent auditors financial results for the year. This Committee shall:

- ~~a. Review the Agency's annual financial statements and the independent auditor's opinion(s) of the independent auditors;~~
- ~~b. Discuss with management, staff and independent auditors any~~ C~~urrent~~ accounting and reporting issues, including recent professional and relevant regulatory or professional pronouncements, Agency ensuring management keeps the Committee and staff shall have the duty to informed
- ~~Committee members of significant relevant issues and developments in accounting and financial reporting;~~
- ~~c. Discuss with Agency management, staff and the independent auditor any~~ s~~ignificant~~ changes from prior~~ceeding~~ years;
- ~~d. Review the adequacy of disclosure of significant items;~~

- ~~e. Discuss with Agency management, staff and the independent auditor the effect on financial statements of any proposed or implemented changes in accounting policies initiated by the Agency, independent auditors or pronouncements of standard boards or governmental authorities~~
- ~~f. Presentation of financial statements~~
- ~~dg. Report to the Board a~~ny illegal, improper, or sensitive transactions, reporting findings that have come
to the ~~Board~~attention of the Committee through information received by management, staff or the independent auditor or by any other means;
- ~~eh. Review s~~Significant adjustments proposed by the independent auditors-
- ~~—4. Review all management letter items from the independent auditor and the written~~
- ~~3. responses from management about on~~ each comment or finding.
- ~~—Discuss with the~~
- ~~4. independent auditors the level of professional competence of the Agency's financial and accounting personnel, and any relevant recommendations, which the auditors may have.~~
- ~~5. Recommend to the Board of Directors any appropriate changes in the duties of the Committee. Review and update the Committee's charter annually.~~
- ~~—6. Review and evaluate the Agency's selection process for~~obtaining a multi-year auditing services contract with independent auditors.
- ~~5. contract with an independent auditor.~~
- ~~—7. Review legal and regulatory matters that may have a materially impact on the financial~~
- ~~6. S~~tatements, and related compliance policies and programs.
- ~~7. 8. Review and assess with management the Agency's Conflict of Interest / Code of Ethics~~
Policy and its enforcement.
~~and the Agency's system of enforcing the policy.~~

Risk Management

- 1. Review and recommend to the Board, changes to the Agency's enterprise-wide risk management governance and framework, in line with the Agency's Strategic Plan and annual business plan objectives, including, but not limited to the following:
 - a. Credit risk
 - b. Market risk
 - c. Compliance risk
 - d. Technology and Strategic risk
 - e. Legal risk
 - f. Business Continuity
- 2. Review with Agency's management and staff, to identify significant enterprise risk exposures, monitor and manage existing risks, evaluate risk mitigation strategies, based on the Agency's risk tolerances, as necessary, and report findings to the Board.
- 3. Review with Agency's management and staff, risks related to statutory and regulatory requirements, that could potentially impact operations of the Agency and provide findings to the Board.
- 4. Review findings from non-financial audits and examinations conducted by government agencies, external auditors, or consultants engaged for specific purposes.

5. Review biennial State Leadership Accountability Act (SLAA) report on the effectiveness of the Agency's internal control system to reduce waste, strengthen internal controls to minimize fraud, errors, and abuse of government funds.
6. Review the annual report on information security risk assessment, focusing on key risks, and evaluate the effectiveness of practices designed to manage cybersecurity activities to reduce vulnerabilities and combat threats.

**CALIFORNIA HOUSING FINANCE AGENCY
AUDITS AND RISK MANAGEMENT COMMITTEE CHARTER
October 2024**

Purpose, Role, and Functions

The Audit and Risk Management Committee (the “Committee”) assists the Board of Directors in its oversight of financial reporting, accounting integrity, and enterprise-wide risk management. In performing its duties, the Committee aims to maintain effective working relationships with the Board of Directors, Agency executive management, staff, and independent auditors.

Membership

The Committee shall consist of a minimum of three voting members, selected by the Chairman of the Board. Members will serve on a rotational basis with staggered terms. The Chairman will appoint one member as the Chair of the Committee. All members should possess the appropriate qualifications, knowledge, skills, and experience to effectively carry out the Committee’s responsibilities. The Committee will oversee its own succession planning for Board approval.

Authority

The Committee operates under limited powers delegated by Board Resolution 06-08 and serves in an advisory capacity concerning audits and enterprise risk matters. Management, staff, and independent auditors will provide resources to enhance the Committee’s understanding of the Agency’s financial reporting obligations, and any significant issues related to financial reporting, accounting, and risk management policies. All Agency employees are expected to cooperate with the Committee as requested. The Committee has the authority to conduct any review necessary to fulfill its responsibilities, including direct access to independent auditors and any other personnel within the organization. The Committee will review its duties and charter annually and make recommendations to the Board if it determines that any changes are appropriate.

Meetings

The Committee shall meet at least twice a year, with additional meetings as requested by the Chair or other members. It will report to the full Board at least once a year regarding audit processes and outcomes. All meetings of the Committee will be open to the public, following the same notice and agenda procedures as for meetings of the full Board of Directors.

Minutes

Minutes of each meeting will be prepared and distributed to all Board members. These minutes need not be verbatim and are considered public records subject to the privileges and exemptions of the California Public Records Act or other applicable law.

Duties and Responsibilities

The Committee will conduct its oversight activities in relation to the following:

Audit

1. Review with staff and applicable independent auditors the scope and extent of each such auditor's examination, including direct inquiries regarding significant risks or exposures identified and management's strategies to mitigate those risks. The review shall encompass:
 - a. External reporting requirements
 - b. Materiality of the Agency's activities
 - c. Internal control structure
 - d. Other areas covered during the audit engagement
2. Upon completion of the audit, review and discuss with Agency's management, staff, and independent auditors:
 - a. Agency annual financial statements and the independent auditors' opinion(s)
 - b. Current accounting and reporting issues, and relevant regulatory or professional pronouncements, ensuring management keeps the Committee informed of significant developments
 - c. Significant changes from prior years
 - d. Any illegal, improper, or sensitive transactions, reporting findings to the Board
 - e. Significant adjustments proposed by the independent auditors
3. Review all management letter items from independent auditors and written responses from management on each comment or finding.
4. Discuss with independent auditors the level of professional competence of the Agency's financial and accounting personnel, and any relevant recommendations, which the auditors may have.
5. Review and evaluate the Agency's selection process for obtaining multi-year auditing services contract with independent auditors.
6. Review legal and regulatory matters that may materially impact financial statements, compliance policies and programs.
7. Review and assess the Agency's Conflict of Interest / Code of Ethics policy and its enforcement.

Risk Management

1. Review and recommend to the Board, changes to the Agency's enterprise-wide risk management governance and framework, in line with the Agency's Strategic Plan and annual business plan objectives, including, but not limited to the following:
 - a. Credit risk
 - b. Market risk
 - c. Compliance risk
 - d. Technology and Strategic risk
 - e. Legal risk
 - f. Business Continuity

2. Review with Agency's management and staff, to identify significant enterprise risk exposures, monitor and manage existing risks, evaluate risk mitigation strategies, based on the Agency's risk tolerances, as necessary, and report findings to the Board.
3. Review with Agency's management and staff, risks related to statutory and regulatory requirements, that could potentially impact operations of the Agency and provide findings to the Board.
4. Review findings from non-financial audits and examinations conducted by government agencies, external auditors, or consultants engaged for specific purposes.
5. Review biennial State Leadership Accountability Act (SLAA) report on the effectiveness of the Agency's internal control system to reduce waste, strengthen internal controls to minimize fraud, errors, and abuse of government funds.
6. Review the annual report on information security risk assessment, focusing on key risks, and evaluate the effectiveness of practices designed to manage cybersecurity activities to reduce vulnerabilities and combat threats.

BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION 24-20

RESOLUTION TO EXPAND ROLE OF AUDIT COMMITTEE TO INCORPORATE ENTERPRISE
RISK MANAGEMENT AND TO AMEND AND REVISE THE AUDIT COMMITTEE CHARTER

WHEREAS, the Board of Directors (the “Board”) of the California Housing Finance Agency (the “Agency”) adopted Resolution 06-08 to create the Audit Committee and to fulfill the duties as stated therein; and

WHEREAS, the Agency has adopted Resolution 06-15 approving the current Charter of the Audit Committee; and

WHEREAS, the Audit Committee recommends expanding the duties of the Audit Committee to work in an advisory capacity to the Board with regard to the oversight of the Agency’s Enterprise Risk Management, as set forth in the revised Charter attached hereto; and

WHEREAS, the Audit Committee recommends a revision to the Committee’s Charter to be identified as the “California Housing Finance Agency Audit and Risk Management Committee Charter” to incorporate the Risk Management duties assigned to the Audit Committee; and

WHEREAS, the Board has reviewed the revised Charter attached hereto,

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

1. The role of the Audit Committee shall be expanded to perform in an advisory capacity to the Board and to make recommendations regarding the Enterprise Risk Management of the Agency, as set forth in the revised Charter, including its governance and framework, risk exposure management, Information Technology (“IT”) security and IT security initiatives.
2. The attached “California Housing Finance Agency Audit and Risk Management Committee Charter October 2024” is hereby approved and adopted.

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 24-20 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 6th day of October 24, 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 hereto this 24th day of October 2024

ATTEST:

MARC VICTOR
Secretary of the Board of Directors of the
California Housing Finance Agency



MEMORANDUM

To: Board of Directors

Date: October 24, 2024

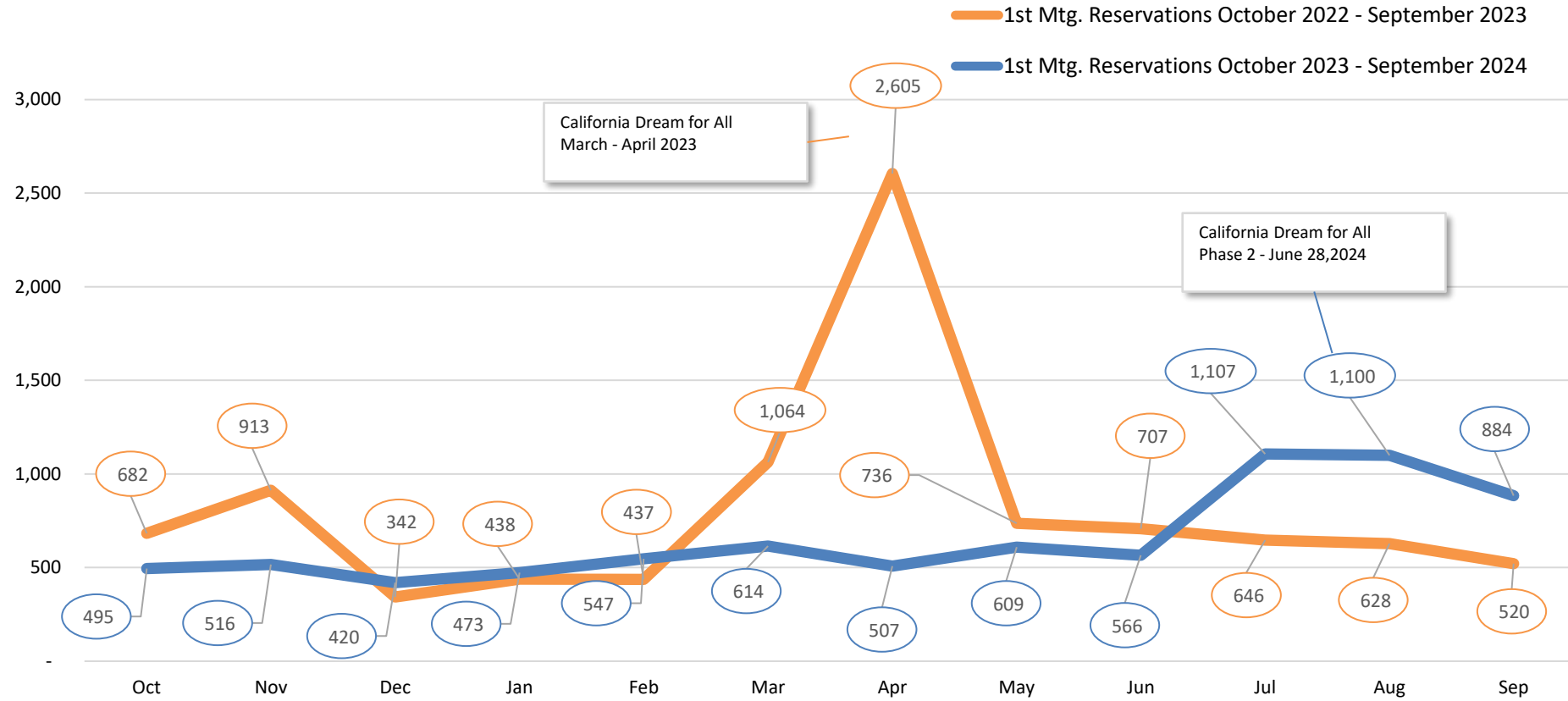
From: Ellen Martin, Director of Homeownership Programs
California Housing Finance Agency

Subject: Agenda Item 12A – Single Family Loan Production Report

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



Total Reservations October 2023 – September 2024



FY 2024/25 Year to Date Totals:

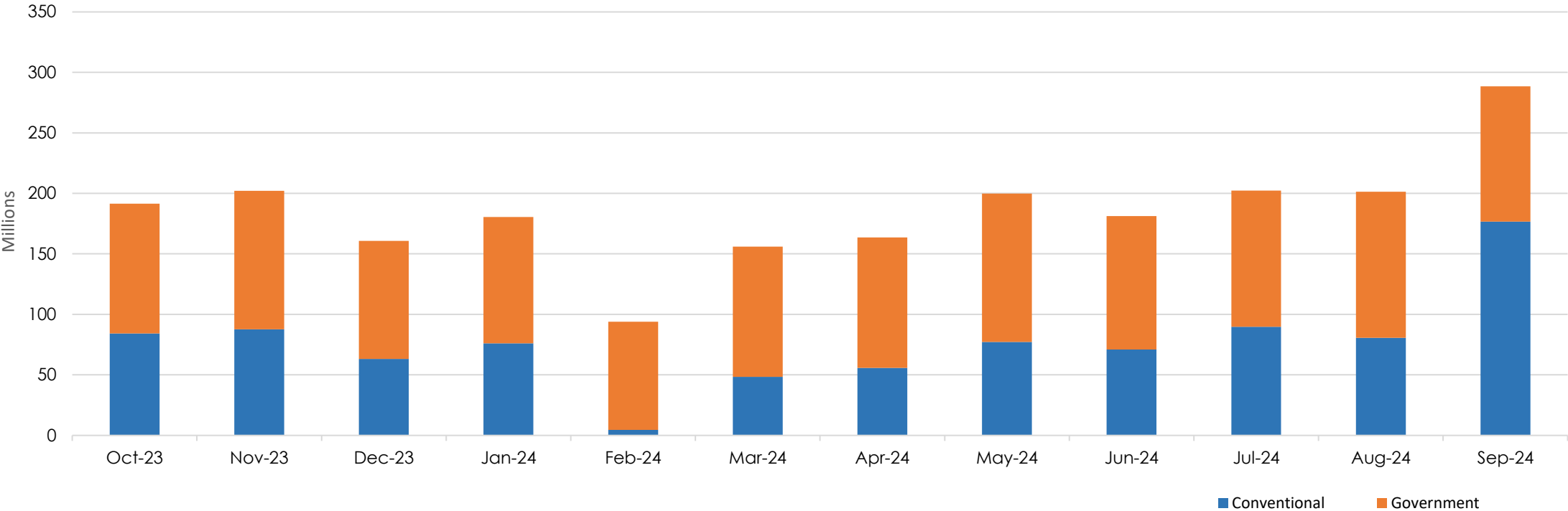
Conventional	1,926	63%
FHA	1,149	37%
	<u>3,075</u>	

Rolling 12 Month Totals:

October 2022 - September 2023 = 9,718
October 2023 - September 2024 = 7,838



October 2023 – September 2024 Securitized



FY 2024/25 Year to Date Totals

Government (44%)

FHA with ZIP	10	\$	4,086,959
FHA no ZIP	803	\$	337,186,382
VA	10	\$	4,097,634
USDA	4	\$	1,191,969
	827	\$	346,562,944

Total 1,558 \$ 693,419,562

Conventional (56%)

Conventional with ZIP	26	\$	11,447,691
Conventional no ZIP	323	\$	161,288,624
LI/VLI Conventional with ZIP	7	\$	2,314,020
LI/VLI Conventional no ZIP	72	\$	22,859,228
DFA Conventional	303	\$	148,947,055
	731	\$	346,856,618



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

Lending by Region

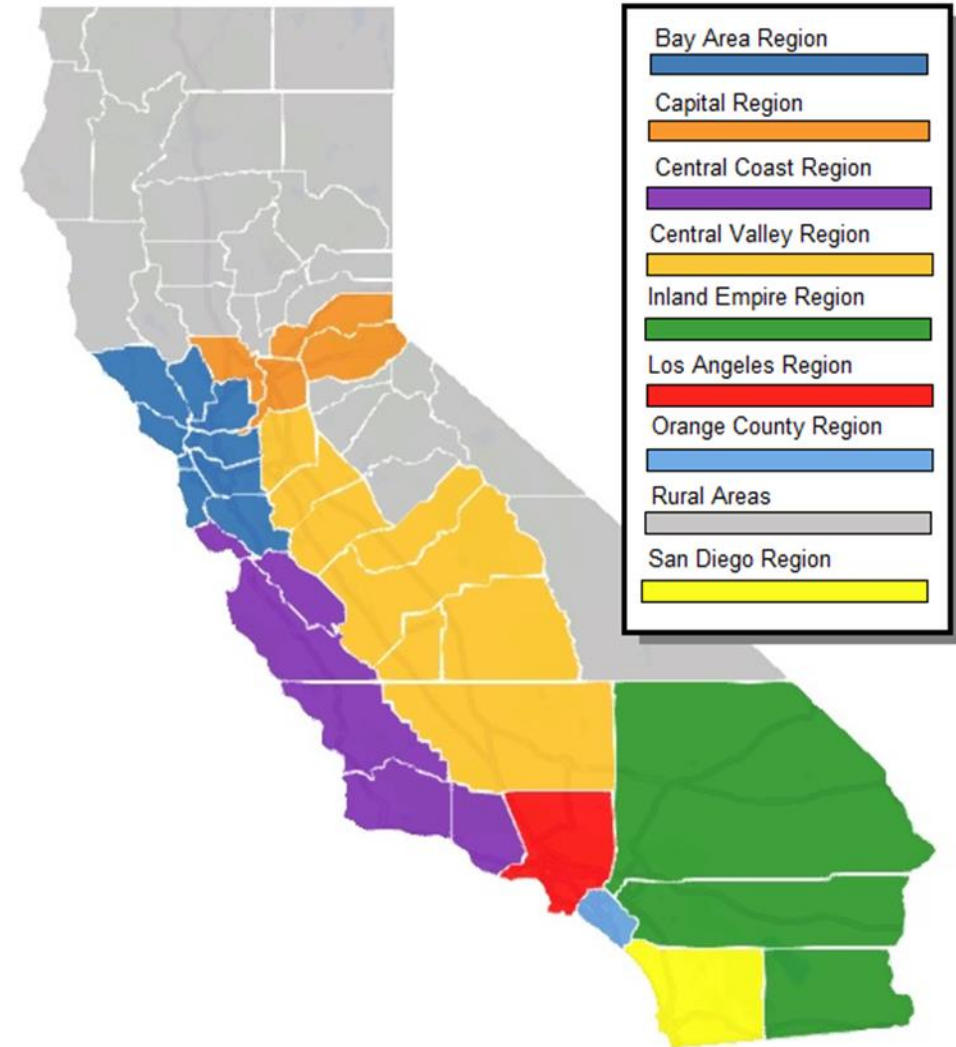
By count for past 12 mos. securitized or funded
Oct 2023 - Sep 2024

MyHome - 5079 Homeowners

Bay Area Region	12%
Capital Region	12%
Central Coast Region	3%
Central Valley Region	34%
Inland Empire Region	19%
Los Angeles Region	6%
Orange County Region	1%
Rural Areas	11%
San Diego Region	3%

Dream for All Loan - 328 Homeowners

Bay Area Region	19%
Capital Region	9%
Central Coast Region	5%
Central Valley Region	15%
Inland Empire Region	20%
Los Angeles Region	14%
Orange County Region	8%
Rural Areas	5%
San Diego Region	6%





MEMORANDUM

To: Board of Directors

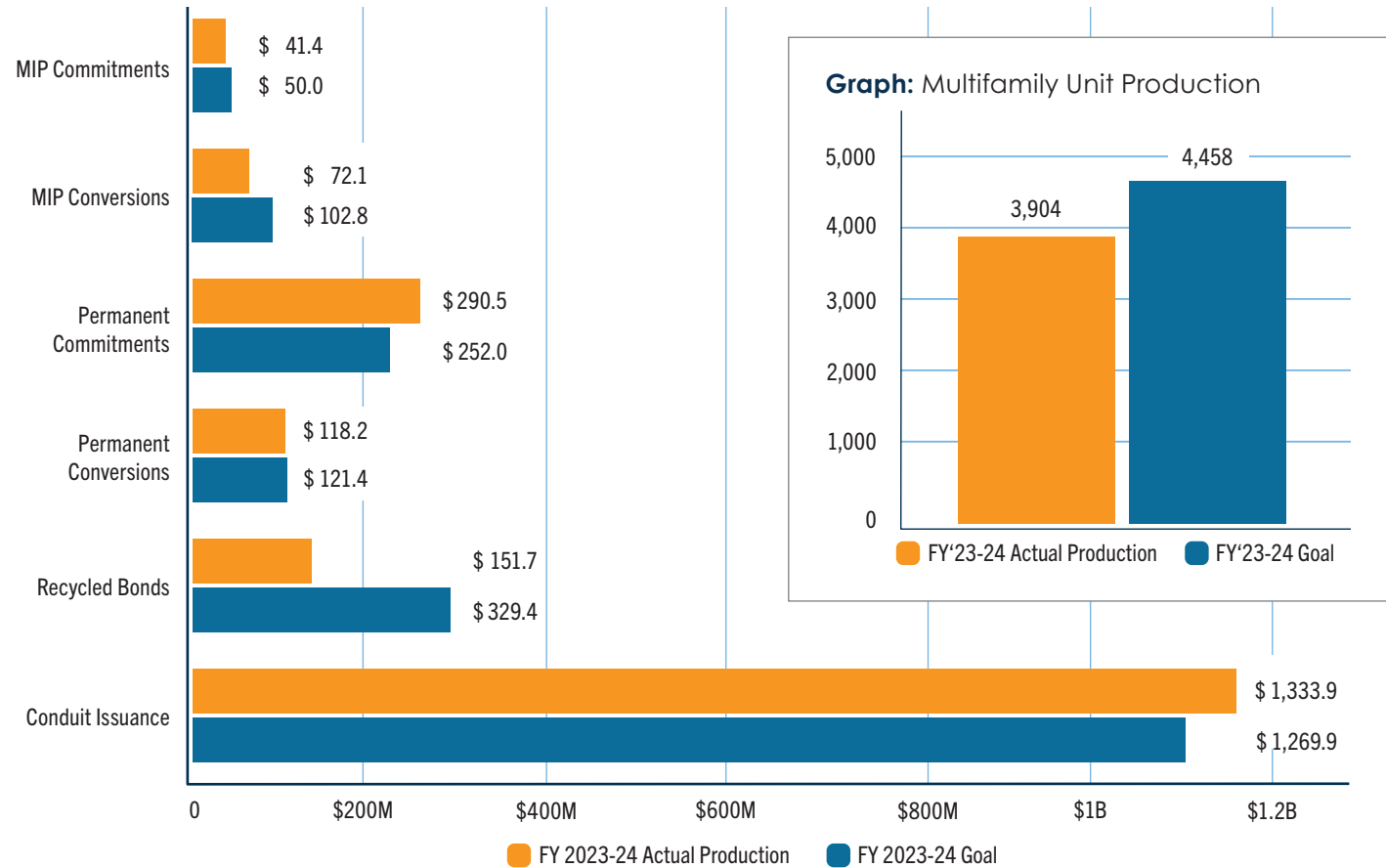
Date: October 24, 2024

From: Rebecca Franklin, Interim Director of Multifamily Programs
California Housing Finance Agency

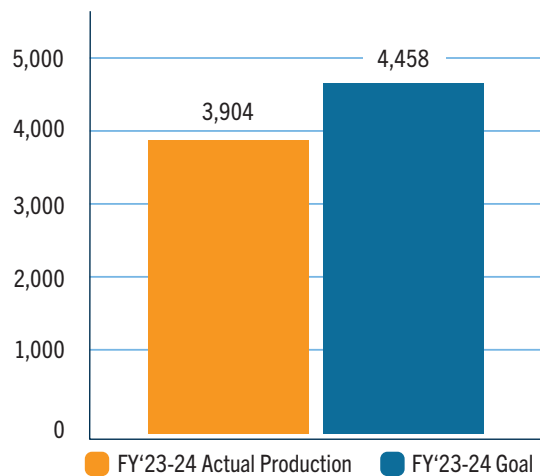
Subject: Agenda Item 12B – Multifamily Quarterly Loan Production Report

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 program 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.

Graph: Fiscal Year 2023-24 Multifamily Loan Production



Graph: Multifamily Unit Production



Graph: Production Volume By Program

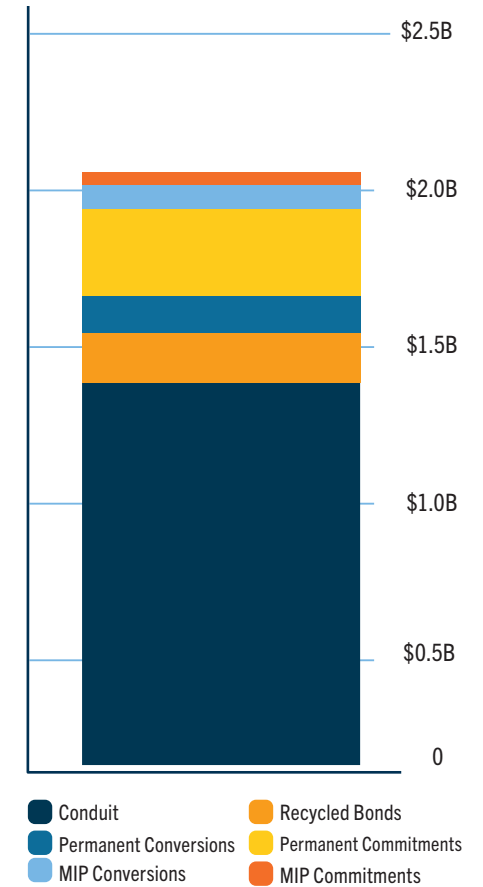


Table: CalHFA Multifamily Production Summary

	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	\$ 1,333,927,027	\$ 151,732,186	\$ 118,183,797	\$ 290,497,797	\$ 72,109,530	\$ 41,370,976	\$ 2,007,821,313
Percent of Goal Complete	105%	46%	97%	115%	70%	83%	94%
Projected Percent of Goal Complete	105%	46%	97%	115%	70%	83%	94%

FY 2023-24 Multifamily Loan Commitments FY 2023-24

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Table: Multifamily Loan Commitments (Closed)

	Project Name	Underwriting Type	City	Project Type ²	Closing Date	Units ³	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Permanent	MIP
1	Anton Viridian	Conduit - MIP & Perm	Oakley	FN	7/18/2023	0	\$ 1,425,000	-	-	-	-
2	Junipers	Conduit - Regular Only	San Diego	SR	8/25/2023	81	\$ 14,000,000	\$ 9,176,466	-	-	-
3	Chris Hartmire Plaza	Conduit - Regular Only	Pomona	FN	9/19/2023	90	\$ 58,000,000	-	-	-	-
4	Eucalyptus Grove Apartments	Conduit - Regular Only	Burlingame	FN	11/3/2023	69	\$ 37,774,909	\$ 19,500,000	-	-	-
5	The Pardes 1	Conduit - Regular Only	Elk Grove	FN	11/8/2023	96	\$ 28,371,084	\$ 4,900,000	\$ 3,500,000	-	-
6	West LA VA - MacArthur Field B	Conduit - Regular Only	Los Angeles	SN, VT	11/13/2023	75	\$ 23,500,000	\$ 17,000,008	-	-	-
7	West LA VA - Building 158	Conduit - Regular Only	Los Angeles	SN, VT	11/13/2023	49	\$ 25,295,192	\$ 1,691,021	-	-	-
8	Symphony at Del Sur	Conduit - Regular Only	San Diego	FN	11/15/2023	171	\$ 45,951,065	-	\$ 13,042,904	-	-
9	Vista Lane Affordable Apartments	Conduit - Regular Only	San Ysidro	FN	11/20/2023	100	\$ 22,973,674	\$ 7,120,000	\$ 4,446,388	-	-
10	Ira D. Hall Square	Conduit - MIP & Perm	Sunnyvale	FN, HM, SN	12/20/2023	176	\$ 74,439,164	\$ 20,320,962	-	\$ 25,533,000	\$ 1,739,000
11	1400 Long Beach	Conduit - MIP & Perm	Long Beach	FN	2/15/2024	163	\$ 42,500,000	\$ 18,000,000	\$ 9,634,796	\$ 21,170,000	\$ 4,000,000
12	Stevens Creek Promenade	Conduit - MIP & Perm	San Jose	FN	2/16/2024	173	\$ 62,000,000	\$ 33,500,000	\$ 10,000,000	\$ 36,052,500	\$ 4,000,000
13	Demaree Street Apartments	Conduit - MIP & Perm	Visalia	FN, SN	2/23/2024	222	\$ 39,000,000	\$ 10,780,893	\$ 6,000,000	\$ 19,437,000	\$ 4,000,000
14	Residency at the Mayer Hollywood	Conduit - Regular Only	Los Angeles	SR	3/5/2024	0	\$ 11,500,000	-	-	-	-
15	The Gardens at Bella Breeze	Conduit - MIP & Perm	Lincoln	FN	3/8/2024	189	\$ 34,000,000	\$ 19,130,000	-	\$ 19,600,000	\$ 4,000,000
16	The Bluffs at 44th	Conduit - MIP & Perm	Capitola	FN	3/15/2024	36	\$ 19,522,000	\$ 8,845,731	-	\$ 12,196,429	\$ 2,100,000
17	Valley Pride Village	Conduit - MIP & Perm	Sylmar	SR	3/28/2024	180	\$ 38,500,000	-	\$ 23,650,000	\$ 22,265,000	\$ 4,000,000
18	1612 Apartments	Conduit - MIP & Perm	Modesto	FN	4/25/2024	144	\$ 20,344,204	\$ 6,700,000	-	\$ 9,673,530	\$ 3,931,976
19	Battery Point Apartments	Conduit - MIP & Perm	Crescent City	FN, SR	4/25/2024	162	\$ 40,662,000	-	\$ 6,588,000	\$ 16,375,000	\$ 4,000,000
20	Devonwood Apartments	Conduit - MIP & Perm	Merced	FN	5/2/2024	156	\$ 39,396,408	\$ 4,973,685	-	\$ 9,770,338	\$ 4,000,000
21	Maison's Sierra	Conduit - MIP & Perm	Lancaster	FN	5/8/2024	196	\$ 35,000,000	-	\$ 5,900,000	\$ 27,875,000	\$ 1,600,000
22	1633 Valencia	Conduit - Regular Only	San Francisco	FN, HM	5/17/2024	146	\$ 42,799,116	-	-	-	-
23	Terracina at the Dunes	Conduit - MIP & Perm	Marina	FN	5/22/2024	0	\$ 1,600,000	-	-	-	-
24	Humble Heart Apartments	Conduit - Regular Only	San Diego	SR, SN	5/28/2024	73	\$ 34,769,000	\$ 845,905	\$ 1,000,000	-	-
25	Potrero Power Station Block 7B ¹	Conduit - Regular Only	San Francisco	FN	6/6/2024	105	-	-	\$ 54,775,000	-	-
26	Ridge View Commons	Conduit - Regular Only	Pleasanton	FN	6/7/2024	200	\$ 39,668,600	-	-	-	-
27	Meridian Family Apartments	Conduit - MIP & Perm	San Jose	FN	6/11/2024	233	\$ 91,820,000	\$ 44,000,000	-	\$ 70,550,000	\$ 4,000,000
28	Playa Del Alameda Apartments	Conduit - Regular Only	Alameda	FN	6/12/2024	40	\$ 14,370,000	-	\$ 1,040,000	-	-
29	Oceanview Gardens	Conduit - Regular Only	Berkeley	FN	6/13/2024	62	\$ 24,000,000	-	\$ 4,500,000	-	-
30	Bandar Salaam	Conduit - Regular Only	San Diego	FN	6/24/2024	68	\$ 13,949,637	-	\$ 2,155,098	-	-
31	Lion Creek Crossings I	Conduit - Regular Only	Oakland	FN	6/25/2024	115	\$ 27,045,422	-	-	-	-
32	Lion Creek Crossings II	Conduit - Regular Only	Oakland	FN	6/25/2024	146	\$ 32,265,881	-	-	-	-
33	Shoreview Apartments	Conduit - Regular Only	San Francisco	FN	6/28/2024	156	\$ 71,000,000	-	\$ 5,500,000	-	-
						3,872	\$ 1,107,442,356	\$ 226,484,671	\$ 151,732,186	\$ 290,497,797	\$ 41,370,976

¹ aka., The Sophie Maxwell Building

³ Projects with '0' as the unit count had their units

² FN: Family/Individual, SR: Senior, SN: Special Needs, counted in a previous fiscal year.

VT: Veterans, HM: Homeless

FY 2023-24 Multifamily Loan Conversions FY 2023-24

33

Table: Multifamily Loan Conversions (Closed)

	Project Name	Underwriting Type	City	Project Type ¹	Closing Date	Units ²	Permanent Loan Amount	MIP Loan Amount	Subsidy Loan Amount
1	The Helm	Conduit - MIP	San Diego	FN	10/5/2023	78	-	\$ 3,785,968	-
2	Mosaic on Mission	Conduit - MIP	Hayward	FN	10/18/2023	140	-	\$ 5,000,000	-
3	Glen Loma Ranch	Conduit - MIP	Gilroy	FN/SN	10/19/2023	158	-	\$ 7,850,000	-
4	Salvator Apartments	Conduit - MIP & Perm	Sacramento	FN	10/20/2023	120	\$ 13,609,845	\$ 7,287,347	-
5	Courtyards at Kimball	Conduit - MIP	National City	FN	11/1/2023	131	-	\$ 6,500,000	-
6	The Monarch at Chinatown	Conduit - PTO	Fresno	FN	12/6/2023	57	\$ 1,885,000	-	\$ 775,000
7	One Lake Family Apartments	Conduit - MIP & Perm	Fairfield	FN	2/7/2024	190	\$ 27,431,301	\$ 14,255,000	-
8	Antioch Senior & Family Apartments	Conduit - MIP	Antioch	FN/SN	2/9/2024	394	-	\$ 3,000,000	-
9	Arena Senior	Conduit - MIP	Sacramento	SN	3/20/2024	240	-	\$ 6,000,000	-
10	Desert Haven	SNHP/MHSA	Victorville	FN, HM, SN	3/29/2024	32	\$ 2,173,669	-	-
11	Brand Haven Senior Apartments	Conduit - MIP & Perm	Fresno	SN	4/9/2024	180	\$ 11,505,982	\$ 4,181,215	-
12	Gateway Rising	Conduit - PTO	Menlo Park	FN	4/11/2024	140	\$ 44,364,000	-	\$ 3,500,000
13	ARY Place	Conduit - MIP	Sacramento	FN	4/24/2024	159	-	\$ 7,900,000	-
14	Beacon Villa	Conduit - MIP & Perm	Pittsburg	FN	4/30/2024	54	\$ 12,939,000	\$ 6,350,000	-
						2,073	\$ 113,908,797	\$ 72,109,530	\$ 4,275,000

¹ FN: Family/Individual, SR: Senior, SN: Special Needs, MH: Mental Health, VT: Veterans, HM: Homeless

² With the exception of the SNHP project "Desert Haven," all other Multifamily Loan Conversion projects listed had their units counted in a previous fiscal year.



MEMORANDUM

To: Board of Directors **Date:** October 24, 2024

From: Rebecca Franklin, Interim Director of Multifamily Programs California Housing Finance Agency

Subject: Agenda Item 12C -Asset Management Quarterly Portfolio Report

The CalHFA Asset Management Portfolio is comprised of 653 projects with a balance of \$1,329,985,973 in financing as of June 30, 2024. The CalHFA portfolio consists of 18,725 affordable regulated units throughout the state of California.

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

1	Section 8 (Contract Administration)
36	Special Needs Housing Program
40	Section 811 (Contract Administrator)
99	CalHFA Permanent (Risk Share)
103	Conduit
176	Mental Health Services Act
198	CalHFA Permanent (Non-Risk Share)
653	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.

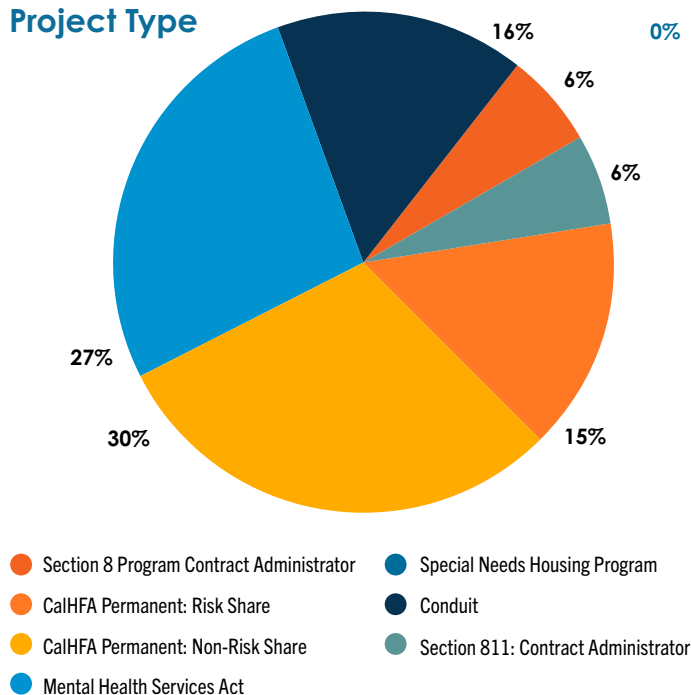
The goals of the Multifamily Asset Management Program are to increase and preserve the supply of affordable housing, assure the maintenance of a quality living environment, assure the projects are financially sound and sustainable, and to cooperate with local jurisdictions to advance affordable housing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

Quarterly Portfolio Review ending June 30, 2024

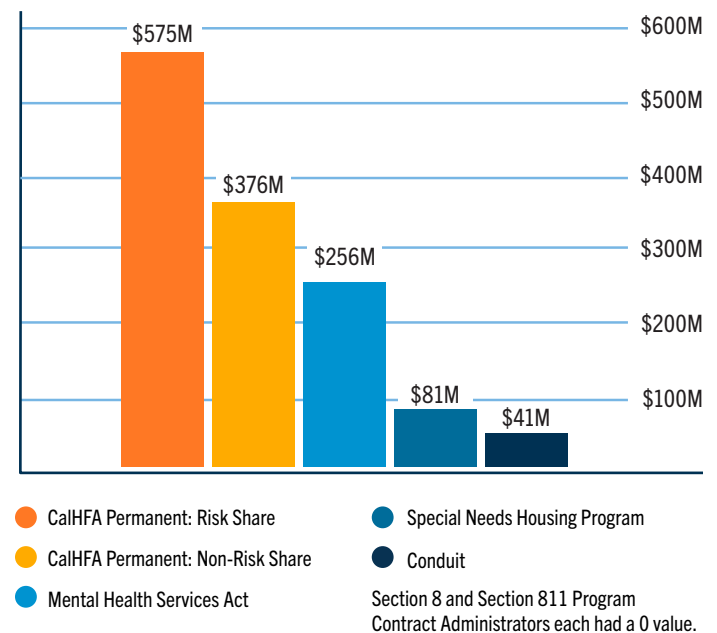
Programs

Type	# of Projects	% of Projects	UPB	% of UPB
Section 8 Program - Contract Administrator	1	0.15%	\$ 0	0.0%
CalHFA Permanent - Risk Share	99	15.16%	\$ 575,222,678	43.3%
CalHFA Permanent - Non Risk Share	198	30.32%	\$ 375,769,981	28.3%
Mental Health Services Act	176	26.95%	\$ 256,244,323	19.3%
Special Needs Housing Program	36	5.51%	\$ 81,413,023	6.1%
Conduit	103	15.77%	\$ 41,335,968	3.1%
Section 811 - Contract Administrator	40	6.13%	\$ 0	0.0%
TOTAL*	653	100.00%	\$ 1,329,985,973	100.0%

Project Type



Unpaid Principal Balance

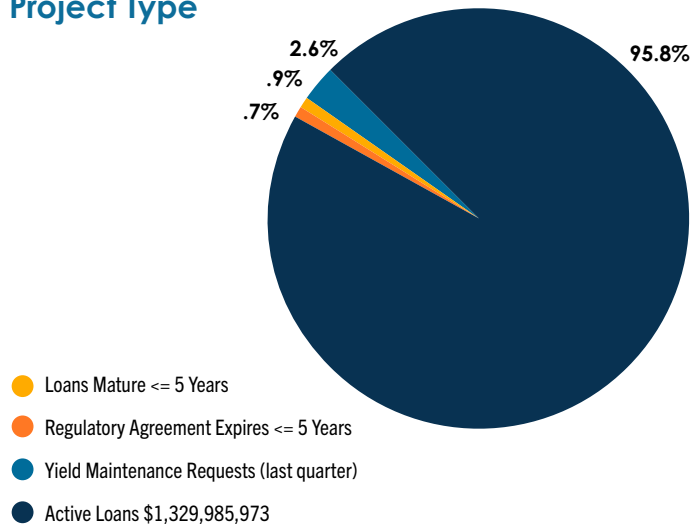


* The unpaid principal balance is based on 432 existing projects with loan balances. The portfolio continues to maintain projects without loan balances for purposes of affordability requirements and compliance. 221 projects are being reviewed and maintained for compliance purposes only.

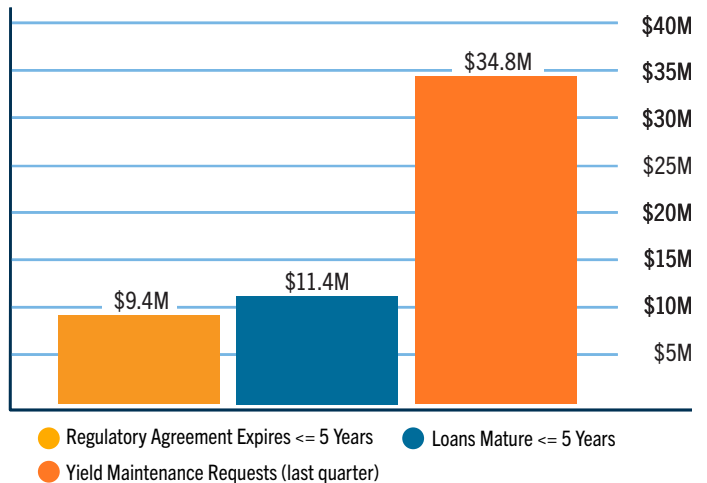
Preservation Risk Indicators

Type	# of Projects	% of Projects	UPB	% of UPB
Regulatory Agreement Expires <= 5 years	40	6.13%	\$ 9,422,525	0.7%
Loans Mature <= 5 years	35	5.36%	\$ 11,472,179	0.9%
Yield Maintenance Requests (last quarter)	15	2.30%	\$ 34,814,422	2.6%

Project Type



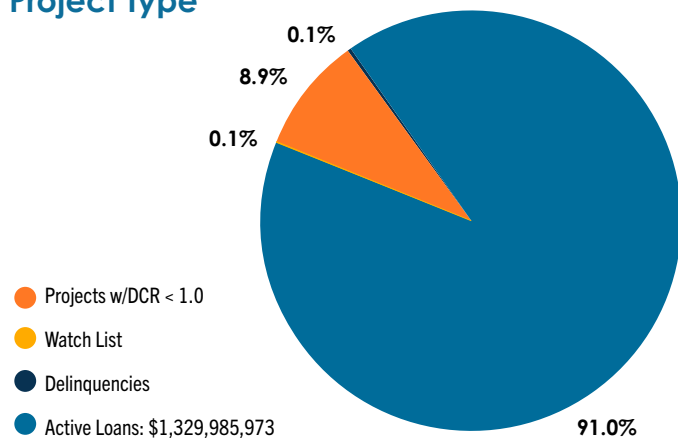
Unpaid Principal Balance



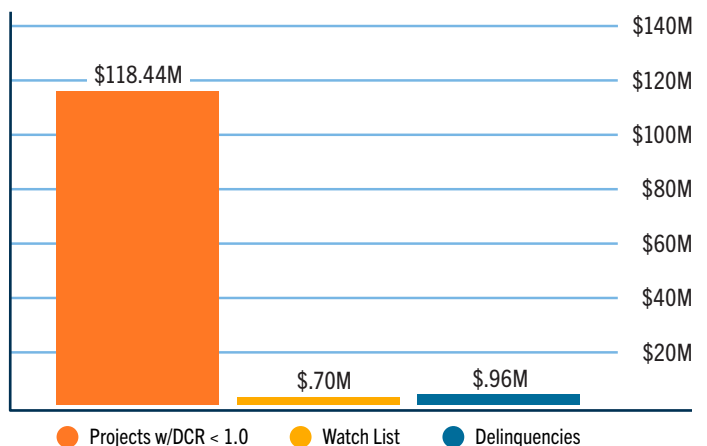
Financial Risk Indicators

Type	# of Projects	% of Projects	UPB	% of UPB
Projects w/ DCR < 1.0	33	5.05%	\$ 118,441,120	8.9%
Watch List	2	0.31%	\$ 703,884	0.1%
Delinquencies	2	0.31%	\$ 961,541	0.1%

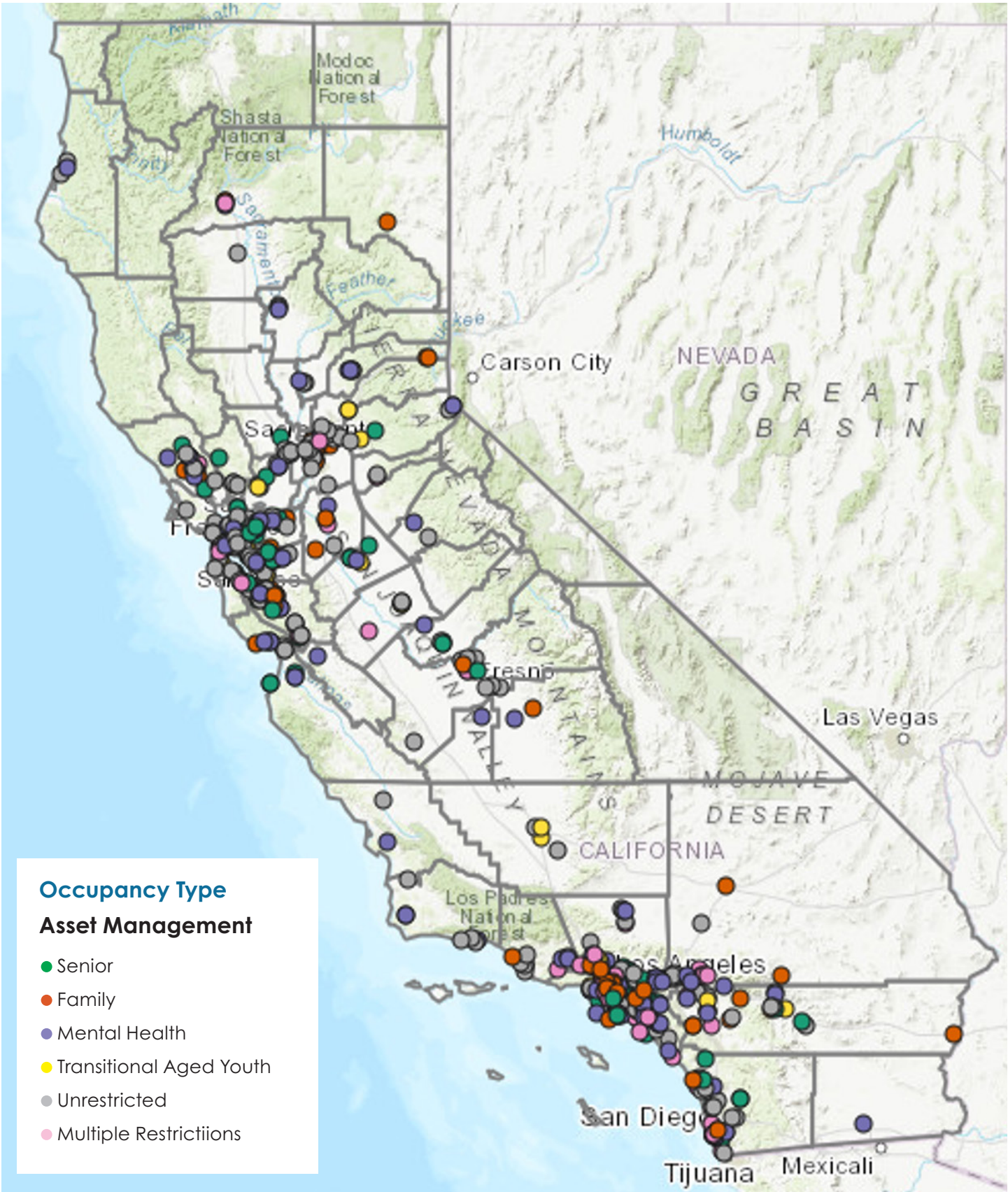
Project Type



Unpaid Principal Balance



Map of CalHFA Multifamily Projects in California





MEMORANDUM

To: Board of Directors **Date:** October 24, 2024

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

Subject: Agenda Item 12D – Agency Bonds, Interest Rate Swaps and
Financing Risk Factors Report

SUMMARY

Since our last report, CalHFA has not issued additional bonds, but the Agency is preparing for an issuance of around \$107 million in October. No additional hedges have been entered into at this time.

The following report describes our bond and interest rate swap positions as well as the related risks associated with our financing strategies. The report is divided into sections as follows:

- 1) Outstanding Bonds
- 2) Interest Rate Swaps
- 3) Financing Risk Factors
 - a) Termination Risk/Guarantor Risk
 - b) Collateral Posting Risk

1) Outstanding Bonds

Below is the Agency's outstanding debt position. This table does not include any pass-thru or conduit financings which make up an additional \$5.59 billion. For the purposes of this report, this conduit/pass-thru amount will not be included in the tables or calculations.

BONDS OUTSTANDING	
As of August 1, 2024	
(\$ in millions)	
Indenture	Amount Outstanding
Stand Alone (MF)	40
AHRB (MF)	82

BONDS OUTSTANDING	
As of August 1, 2024	
(\$ in millions)	
Indenture	Amount Outstanding
Total	122

2) Interest Rate Swaps

CalHFA's current hedging strategy includes new cash settled interest rate swaps to hedge multifamily loan commitments. Cash settled fixed-payer swaps involve one payment on the settlement date, at which time the swap then terminates. It is expected that the cash settlement would occur on the permanent loan conversion date, approximately 36 to 42 months after construction closing. As of the date of this report, CalHFA has 28 interest rate swaps under this strategy. The table below provides a summary of our swap notional amounts.

SWAPS	
(\$ in millions)	
Source	Current Notional
MF Loan Commitments	449
Total	449

3) Financing Risk Factors

A) Termination Risk / Guarantor Risk

Termination risk is the risk that, CalHFA's interest rate swaps must be terminated prior to their scheduled maturity. CalHFA's swaps have a market value that is determined based on current interest rates. When current fixed rates are lower than the fixed rate of the swap, CalHFA's swaps have a negative mark-to-market, and termination would result in a payment from us to our counterparty. Conversely, when current fixed rates are higher than the fixed rate of the swap, CalHFA's swaps have a positive value to us, and termination would result in a payment from the provider of the swap to us.

It should be noted that, in a termination event, the market determines the amount of the termination payment and who owes it to whom. Depending on the market, it may be that the party who has caused the termination is owed the termination payment.

On a historical basis, the highest negative mark-to-market value of CalHFA's swaps was \$380 million in January 2012. Since September 30, 2022, CalHFA would be a net recipient of funds if it terminated all its interest rate swaps. Below is the current termination value of CalHFA's swaps. The table has been updated from last report to include the new swaps hedging our multifamily commitments.

TERMINATION VALUE	
Date	Termination Value \$ in millions
06/30/2022	(24.2)
09/30/2022	3.3
12/30/2022	24.9
03/30/2023	20.5
06/30/2023	26.3
09/30/2023	55.3
12/30/2023	48.7
02/01/2024	32.8
07/31/2024	35.4

Additionally, the following table provides information on how much each counterparty would owe CalHFA in the event of a swap termination.

SWAP COUNTERPARTIES	
Counterparty	Mark-To-Market \$ in millions
Wells Fargo N.A.	0.50
Bank of New York Mellon	13.0
Bank of America, N.A.	21.9
Total*	35.4

Guarantor risk is a type of termination risk where the Agency's swap guarantor defaults or has a significant decline in its credit rating that would cause the termination of the swap. This is in part mitigated by having a diversified group of swap guarantors

The following table shows the diversification of our fixed payer swaps among the 3 firms acting as our swap guarantors.

SWAP GUARANTORS				
Swap Guarantor	Credit Ratings		Notional	Number
	Moody	SP	\$ in millions	of Swaps
Bank of America, N.A.	Aa1	A+	333.1	24
Bank of New York Mellon	Aa2	AA-	107.9	3
Wells Fargo N. A	Aa2	A+	7.6	1
Total*			448.6	28

b) Collateral Posting Risk

Some swap agreements have collateral posting requirements. Collateral posting requirements are a function of the mark-to-market, ratings, threshold amounts, independent amounts and any collateral already posted. Our swaps are valued weekly, and our collateral position is adjusted weekly based on those valuations. Failure to post the required collateral can result in a termination event. At its peak, CalHFA was required to post \$132 million of collateral at the end of January 2012. Since February 2023, CalHFA has not held any swaps that require collateral posting.



MEMORANDUM

To: Board of Directors

Date: October 24, 2024

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

Subject: Agenda Item 12E – Annual Investment Report

In 2022, the Board adopted an amended and restated Investment and Debt Management Policy (the "Policy"). Section XXIII of the Policy requires an annual report prepared by the Financing Division to the Board of Directors on the Agency's investments.

Attached for your information is an investment report as of June 30, 2023, the end date for the most recent fiscal year audit. 81% of the Agency's funds are invested in the Surplus Mondy Investment Fund, held in the Pooled Money Investment Account administered by the State Treasurer. 15% of the Agency's funds are invested in mortgage-backed securities insured by either the Federal National Mortgage Association (FNMA) or the Government National Mortgage Association (GNMA). The remaining 4% of the funds are invested in commercial paper, money market funds, or in a collateralized account. These investments are eligible investments in the Policy (Sections XI and XII). This report and its supporting tables detail how CalHFA moneys continue to be invested in accordance with the Policy.

ANNUAL INVESTMENT REPORT

June 20, 2023

SUMMARY

As of June 30, 2023, CalHFA had \$1.96 billion of cash, cash equivalents, and investments (together "investments"), see Table 1 on page 3. These assets include restricted investments, such as CalHFA's emergency reserve fund, CalHFA's hedge reserve account, mortgage impound accounts, assets pledged to secure bondholders through CalHFA's bond indentures, and funds administered by CalHFA for state mandated programs.

The portfolio is still heavily concentrated in the State Investment Pool (81% of the total), which means the investment earnings are likely to remain low (Table 1). The State Investment Pool's year-to-date yield at June 30, 2023 was 2.170%.

STATE INVESTMENT POOL (SURPLUS MONEY INVESTMENT FUND "SMIF

As shown in the Table 1 on page 3, we have \$1.58 billion invested in the State Investment Pool, also referred to as Surplus Money Investment Fund ("SMIF"), which, over time, has provided security, liquidity, and administrative simplicity.

As stated in the Policy, we invest most of the non-bond indenture moneys (funds invested under our Housing Assistance Trust, Contract Administration Programs, money received from HUD for the Section 8 projects, servicing impound account moneys, funds held in the Agency's operating account and general reserves of the Agency), in SMIF (Table 1).

The State's treasury operations are managed in compliance with the California government code and according to a statement of investment policy which sets forth permitted investment vehicles, liquidity parameters and maximum maturity of investments. The Pooled Money Investment Account (PMIA) operates with the oversight of the Pooled Money Investment Board (consisting of the State Treasurer, the State Controller, and Director of Finance).

SECURITIES

Tables 2-4 provides additional information about the \$299.4 million (fair market value) of securities held by the Agency, which are Fannie Mae and Ginnie Mae securities backed by loans originated for our single family and multifamily programs.

MONEY MARKET AND BANK DEPOSITS

The Agency invests funds under its Bond and Non-Bond accounts in Government Obligation and U.S. Treasury Money Market Funds. The funds in the Bond accounts are held by the Bond Trustee, and for the Non-Bond Accounts the funds are held by U.S Bank Trust. The total amount held as of June 30, 2023, in MMF is 7.1 million (Table 1). The agency also holds Non-Bond funds at U.S Bank N.A in deposit in its collateralized accounts.

CalHFA Investments Summary

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Table 1: Amount Invested (\$ in millions)					
Investment Type	Bond Indentures	CalHFA G-O	Admin	Total	
State Investment Pool	85.7	487.0	1010.3	1583.0	
Securities (market value)	9.4	290.0	0.0	299.4	
U.S. Bank Open CP	0.1	0.0	0.0	0.1	
Money Market Fund	4.10	0.0	3.0	7.1	
Cash/Money Market Fund	0.2	50.1	19.9	70.2	
Totals	\$ 99.5	\$ 827.1	\$ 1,033.2	\$ 1,959.8	

Table 2: Investments in Securities by Type June 30, 2023							
Type of Investment	Program	Reserve	Par Value Collateral	Unencumbered	Total	Market Value	
GNMA Securities	\$ 2,196,793	\$ 3,283,891	\$ 143,229,911	\$ 43,005,506	\$ 191,716,101	\$	173,841,895
FNMA Securities	\$ 8,017,880	\$ 8,022,779	\$ 42,061,680	\$ 83,663,949	\$ 141,766,288	\$	125,557,474
Totals	\$ 10,214,673	\$ 11,306,670	\$ 185,291,591	\$ 126,669,455	\$ 333,482,389	\$	299,399,369

Table 3: Securities Detail by Type June 30, 2023							
Type of Investment	Par Value	Market Value	Yearly Interest	Dollar Days	Weighted Avg Coupon	Weighted Avg Remaning Mat	
GNMA Securities	\$ 191,716,101	\$ 173,841,895	\$ 6,575,862	\$ 176,435,857	3.43%	321.97	
FNMA Securities	\$ 110,860,122	\$ 109,942,734	\$ 4,700,469	\$ 60,310,934	4.24%	153.97	
Totals	\$ 302,576,223	\$ 283,784,629	\$ 11,276,331	\$ 236,746,791			

Table 4: Investments in Securities by Account June 30, 2023							
Indenture or Account Description	Par Value Program Account Assets	Par Value Reserve Account Assets	Par Value Collateral Account Assets	Par Value Unencumbered Assets	Total Par Value	Market Value	
Home Mortgage Revenue Bonds	\$ 10,214,673	\$ -	\$ -	\$ -	\$ 10,214,673	\$	9,399,453
Housing Assistance Trust	\$ -	\$ -	\$ -	\$ 126,669,455	\$ 126,669,455	\$	115,020,637
Federal Home Loan Bank	\$ -	\$ -	\$ 185,291,591	\$ -	\$ 185,291,591	\$	168,897,333
Emergency Reserve Account	\$ -	\$ 11,306,670	\$ -	\$ -	\$ 11,306,670	\$	10,472,021
Totals	\$ 10,214,673	\$ 11,306,670	\$ 185,291,591	\$ 126,669,455	\$ 333,482,389	\$	303,789,444



MEMORANDUM

To: Board of Directors **Date:** October 24, 2024

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

Subject: Agenda Item 12F – 2024 Legislative Session Wrap-Up

2024 Legislative Session Wrap-Up

The 2024 legislative session was greatly impacted by the state's budget deficit. Beyond Proposition 1, which was approved by voters in March, no other long-term funding for affordable housing production was approved. Only a handful of bills directly named CalHFA at all, with only one bill—AB 2430 (Alvarez)—passing.

This report includes a list of key housing bills that we believe could have an impact to our work at CalHFA and were closely monitored over the session—both those that passed and failed are included.

If you have any questions, please contact me (916) 205-6074 or at mtabar@calhfa.ca.gov.

CalHFA BILLS

VETOED: AB 1840 (Arambula) Home Purchase Assistance Program: eligibility.

This bill would have provided that an applicant for a CalHFA' homebuyer assistance program cannot be disqualified based solely on the applicant's immigration status, provided all other loan criteria are met.

SIGNED: AB 2430 (Alvarez) Planning and zoning: density bonuses: monitoring fees

This bill prohibits a city or county from charging local monitoring fees on 100% affordable housing developments using the Density Bonus Law (DBL) if the project is subject to monitoring by state agencies (i.e., properties that have regulatory agreements with TCAC, CalHFA, or HCD).

CEQA BILLS

FAILED: SB 1227 (Wiener) Housing: San Francisco: downtown revitalization zone: welfare tax and CEQA exemptions

This bill would, until January 1, 2035, have exempted from the requirements of CEQA development projects, meeting certain requirements occurring within a specified area

in the City and County of San Francisco, and would have given CalHFA a new responsibility to review and certify the validity of the project's below-market rents to qualify for the CEQA exemption.

SIGNED: SB 1361 (Blakespear) California Environmental Quality Act: exemption: local agencies: contract for providing services for people experiencing homelessness

This bill exempts from CEQA any actions taken by local agencies related to contracting for services for people experiencing homelessness, including case management, resource navigation, security services, residential services, and counseling services. This bill does not impact any state housing agency, as an exemption for HCD and CalHFA already exists. This bill was signed by the Governor on August 19 (Chapter 188, Statutes of 2024).

LAND USE BILLS

FAILED: AB 1333 (Ward) Residential real property: bundled sales.

This bill would have prohibited institutional investors from purchasing more than one parcel of real property in a single transaction.

FAILED: AB 2584 (Lee) Single-family residential real property: corporate entity: ownership.

This bill would have prohibited business entities that own more than 1,000 single-family residential properties from purchasing any additional single-family properties and leasing them out.

LOCAL FUNDING MECHANISMS BILLS

SIGNED: AB 598 (Wicks) San Francisco Bay Area Regional Housing Finance Act (BAHFA): regional and county expenditure plans.

This bill provides that: 1). BAHFA's regional expenditure plan cannot render projects ineligible for funding based on the presence or absence of any local government land use or housing policies; and 2). BAHFA shall not impose any other conditions for a county expenditure plan to be deemed complete to allocate funds.

MORTGAGE INDUSTRY BILLS

VETOED: AB 2930 (Bauer-Kahan) Automated decision tools

This bill would have established a framework for the regulation and oversight of automated decision technology, the use of which has become prominent within housing and mortgage lending.

SIGNED: AB 3100 (Low) Assumption of mortgage loans: dissolution of marriage

This bill requires conventional mortgage loans secured by occupant-owned residential property of four or fewer units to include, for all loans originated after January 1, 2027,

provisions to allow a borrower to assume the loan pursuant to a dissolution or separation.

STATE HOUSING PROGRAMS AND FINANCE BILLS

SIGNED: AB 846 (Bonta) Low-income housing credit: rent increases

This bill requires TCAC, on or before June 30, 2025, to adopt regulations to establish a limit on annual rent increases for tenants in existing LIHTC properties and permits TCAC to adjust the limit, through regulations, if TCAC deems it necessary based on the assessment.

VETOED: AB 3160 (Gabriel) Insurance, income, and corporation taxes: credits: low-income housing

This bill would have made the annual allocation of \$500 million in low-income housing tax credits permanent. This bill was only operative if AB 3190 (Haney) was enacted.

FAILED: AB 3190 (Haney) Public Works

This bill would have eliminated an exemption from public works law for tax credit affordable housing projects. This bill was only operative if AB 3160 (Gabriel) was enacted—but it was vetoed, therefore, this bill failed.

FAILED: AB 1657 (Wicks) The Affordable Housing Bond Act of 2024.

This bill would have enacted the Affordable Housing Bond Act of 2024, which, if adopted, would have authorized the issuance of bonds in the amount of \$10,000,000,000. Proceeds from the sale of these bonds would have been used to finance programs to fund affordable rental housing and homeownership programs, including, among others, CalHFA's MyHome program.