

**AGENDA #6**

# STRATEGIC PLAN UPDATE

Fiscal Year 2024-25 Q3 Update

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# FY 2024-25 STRATEGIC PLAN

## STRATEGIC MEASURES – GOAL 1



### LENDING IMPACT

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

STRATEGIC MEASURES	TOLERANCES	Q1	Q2	Q3	Q4
Increase Single Family first mortgage dollar lending volume and number of loans 5% by 2026.	<b>Volume</b> <span style="color: green;">■</span> ≥ \$1.550B <span style="color: orange;">■</span> \$1.52B - \$1.549B <span style="color: red;">■</span> ≤ \$1.51B				
	<b>Loan Counts</b> <span style="color: green;">■</span> ≥ 3,971 loans <span style="color: orange;">■</span> 3,890 – 3,970 loans <span style="color: red;">■</span> ≤ 3,889 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> ≥ \$1.194B <span style="color: orange;">■</span> \$1.170B – \$1.193B <span style="color: red;">■</span> ≤ \$1.169B				
	<b>Volume</b> <span style="color: green;">■</span> ≥ \$526M <span style="color: orange;">■</span> \$515M – \$525M <span style="color: red;">■</span> ≤ \$514M				
	<b>Units</b> <span style="color: green;">■</span> ≥ 4,809 units <span style="color: orange;">■</span> 4,710 – 4,808 units <span style="color: red;">■</span> ≤ 4,709 units				

# FY 2024-25 STRATEGIC PLAN

## GOAL 1 MEASURE – EXCEPTION REPORT



### 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	4,809 or more units in FY 2024-25.
CHALLENGES	<p>Due to market conditions, equity investor delays, local public entity delays and other external causes, 4-7 MIP 2024 projects are likely to close in the first quarter of FY 25-26 rather than the last quarter of FY 24-25.</p> <p>Based on discussions with affordable housing market participants, this is representative of current overall market trends. These deals are expected to successfully close and these units would be counted in FY 25-26.</p>

MITIGATION ACTIVITY	OWNER(S)	COMPLETION DATE
Actively managing the pipeline and collaborating with borrowers to manage and communicate targeted closing dates.	Stephanie McFadden	Ongoing
The Weekly Multifamily Tracker report provided to the Chief Deputy Director will be regularly updated to communicate any closing date delays.	Stephanie McFadden	Ongoing

# FY 2024-25 STRATEGIC PLAN

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

# FY 2024-25 STRATEGIC PLAN

## STRATEGIC MEASURES – 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
Increase public presence and publications 10% by 2026.	<div>■ ≥ 67 appearances</div> <div>■ 58 – 66 appearances</div> <div>■ ≤ 57 appearances</div>				
Partner, fund, and/or participate in housing finance data analytics reports.	<div>■ Yes</div> <div>■ No</div> <div>■ None Planned</div>				
Receive industry recognition and/or awards for CalHFA specific programs.	<div>■ 2 awards</div> <div>■ 1 award</div> <div>■ 0 award</div>				

FY 2024-25 STRATEGIC PLAN

STRATEGIC MEASURES – GOAL 4



OPERATIONAL  
EXCELLENCE

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

STRATEGIC MEASURES	TOLERANCES	Q1	Q2	Q3	Q4
Implement informed decision-making tools and processes.	<div>■ Training in place and tools being used</div> <div>■ Tools being used for &lt;25% of processes</div> <div>■ No training in place</div>				
Increase Great Place to Work certification score 5% by 2026.	<div>■ ≥ 71%</div> <div>■ 70%</div> <div>■ ≤ 69%</div>				
Fill 80% of all key positions.	<div>■ ≥ 80%</div> <div>■ 75% – 79%</div> <div>■ ≤ 74%</div>				

# FY 2024-25 STRATEGIC PLAN STATUS UPDATE – Q3



## OVERALL OBJECTIVES PERFORMANCE STATUS

### 12 STRATEGIC OBJECTIVES



**83%**

10 - On-Target



**8%**

1 – At-Risk



**8%**

1 – Off-Target

# FY 2024-25 STRATEGIC PLAN

## GOAL 1 – EXCEPTION REPORT



### LENDING IMPACT

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

OBJECTIVE	Expand and diversify Single Family program opportunities.
INITIATIVE	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.
DESIRED OUTCOME	Completed study identifying key characteristics of the First Time Homebuyer Market in California.
CHALLENGES	Completion of the study is not in jeopardy or at risk, however, it is currently projected to be completed by July 15, 2025, which is just beyond our June 30, 2025 deadline.

MITIGATION ACTIVITY	OWNER(S)	COMPLETION DATE
CalHFA will hold a meeting with the Turner Center, the author of the report, during which the Center will present the initial draft of the study for review and Discussion	Ellen Martin, Kelly Madsen	05/28/2025



# FY 2024–25 STRATEGIC PLAN STATUS UPDATE – Q3



## HIGHLIGHTS



CalHFA in February received 22 promising responses to a Request for Information (RFI) on the feasibility of a potential new construction multifamily affordable housing program in partnership with local entities. The responses came from a range of potential partners from school districts to colleges to transit agencies to cities and counties to larger conglomerates of schools and localities.



CalHFA launched the MyAccess down payment assistance enhancement program in March. Funded by CalHFA issuing taxable bonds, the program provides a 2.5% down payment and closing cost assistance loan that can be combined with MyHome to give first-time homebuyers up to 6% of the purchase price in assistance.



CalHFA's Board of Directors approved resolutions in February and March that paved the way for CalHFA to stand up a Governor Newsom-proposed initiative using \$105 million in existing National Mortgage Settlement funds to assist homeowners whose homes were destroyed or left uninhabitable by recent disasters. The program is set to launch in June.

# FY 2024–25 STRATEGIC PLAN STATUS UPDATE – Q3



## SINGLE FAMILY PRODUCTION UPDATE



**5,523**

Homebuyers  
assisted



**\$43.9M**

Revenue  
generated



**\$2.7B**

Lending volume  
activity



**1,424**

Affordable  
housing units  
funded



**\$3.3M**

Revenue  
generated

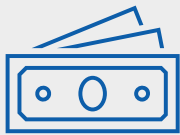


**\$817.6M**

Lending volume  
activity

# FY 2024-25 STRATEGIC PLAN

## OPERATING EXPENDITURES



**Operating  
Revenue**

**\$70.0M**



**Operating  
Expenses**

**\$31.1M**



**Net Operating  
Revenue**

**\$38.9M**



**12 Months  
Projections**

Revenues	\$85.5M
Expenses	(\$40.5M)
<b>Net</b>	<b>\$45.0M</b>

# FY 2024-25 STRATEGIC PLAN

## OPERATING EXPENDITURES UPDATE – Q3



	9 MONTHS ENDING MARCH 31, 2025			12 MONTHS ENDING JUNE 30, 2025		
OPERATING REVENUE	ACTUAL	BUDGET	VARIANCE	PROJECTION	BUDGET	VARIANCE
<b>SINGLE FAMILY LENDING</b>						
Lending Fees	\$32,635	\$13,125	\$19,510	\$36,987	\$17,500	\$19,487
Loan Servicing	537	270	267	704	360	344
Interest	5,581	4,573	1,007	7,082	6,098	984
Admin Fees	11,244	10,125	1,119	12,047	13,500	(1,453)
<i>SUB-TOTAL SINGLE FAMILY</i>	<i>\$49,997</i>	<i>\$28,093</i>	<i>\$21,903</i>	<i>\$56,820</i>	<i>\$37,458</i>	<i>\$19,362</i>
<b>MULTIFAMILY LENDING</b>						
Lending Fees	\$4,525	\$6,258	(\$1,732)	\$8,292	\$8,344	(\$52)
Loan Servicing	1,079	1,094	(14)	1,443	1,458	(14)
Interest	10,076	9,398	677	13,359	12,531	827
Admin Fees	4,378	4,099	279	5,561	5,465	96
<i>SUB-TOTAL MULTIFAMILY</i>	<i>\$20,058</i>	<i>\$20,849</i>	<i>(\$790)</i>	<i>\$28,655</i>	<i>\$27,798</i>	<i>\$857</i>
<b>TOTAL OPERATING REVENUE</b>	<b>\$70,055</b>	<b>\$48,942</b>	<b>\$21,113</b>	<b>\$85,475</b>	<b>\$65,256</b>	<b>\$20,219</b>
<b>OPERATING EXPENDITURES</b>						
Salaries and Benefits	\$20,642	\$23,425	(\$2,783)	\$27,669	\$31,233	(\$3,564)
Consulting & Professional Services	3,699	3,683	16	4,474	4,911	(437)
General Expense	424	583	(159)	530	778	(248)
Communications	176	317	(140)	252	422	(170)
Travel	218	292	(75)	298	390	(92)
Training	53	200	(147)	90	266	(177)
Facilities Operation	2,094	2,341	(247)	2,721	3,122	(400)
Central Administrative Services	2,295	1,747	548	2,329	2,329	0
Information Technology	1,381	1,804	(423)	1,947	2,406	(459)
Equipment	166	334	(168)	194	445	(251)
<i>TOTAL</i>	<i>\$31,148</i>	<i>\$34,726</i>	<i>(\$3,578)</i>	<i>\$40,504</i>	<i>\$46,302</i>	<i>(\$5,798)</i>
<b>NET OPERATING REVENUE</b>	<b>\$38,907</b>	<b>\$14,215</b>	<b>\$24,691</b>	<b>\$44,971</b>	<b>\$18,954</b>	<b>\$26,016</b>