AGENDA #5-6-7

Strategic Business Plan & Proposed Operating Budget

Fiscal Years 2026-29

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A Pathway to More Housing

VISION

Every Californian can build a thriving life in a stable home.

MISSION

Delivering reliable financing solutions to advance housing opportunities for Californians.

Advance Housing Opportunities

Help more **low to moderate income** Californians access safe, stable homes by expanding programs and funding innovation.

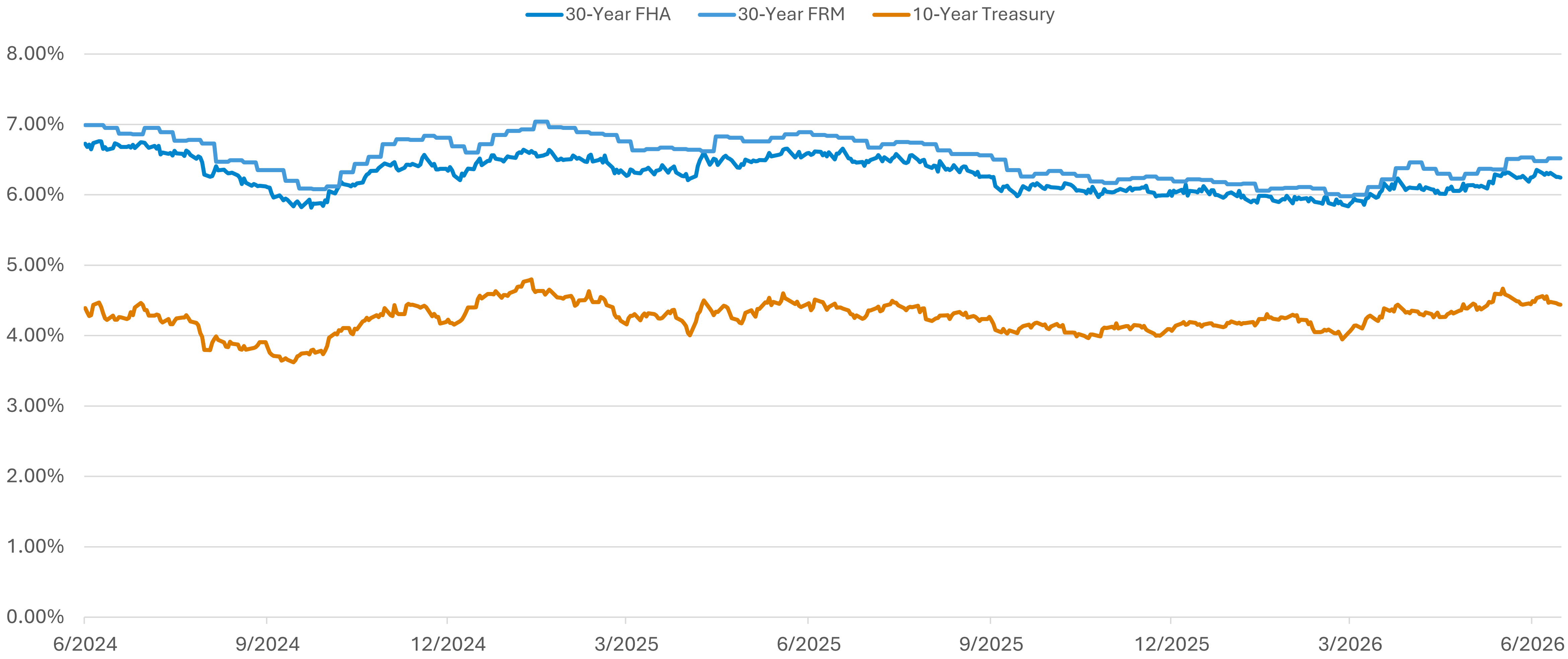
Expanded Partnerships for Thriving Communities

Build thriving communities by working with our government partners to make housing easier to create and access.

Efficiently Deliver Reliable Financing Solutions

Create simpler paths to reliable financing solutions by modernizing processes and building an empowered, high-performing workforce.

CalHFA Recent Mortgage Rates



Historical and Projected Interest Rates and Economic Factors

- Inflation expectations remain elevated, above the Fed's 2% target
- Approximate 60% chance of a 25 bps rate increase in FedFunds by year end – as indicated by futures
- Rates steady overall, with increase in new and existing home sales over the near future

Indicator	Q3 25	Q4 25	Q1 26	Q2 26E	Q3 26E	Q4 26E	Q1 27E	Q2 27E	Q3 27E	Q4 27E
Fed Funds Rate	4.25%	3.75%	3.75%	3.75%	3.73%	3.63%	3.51%	3.43%	3.39%	3.35%
2 Year Note	3.61%	3.48%	3.80%	3.98%	3.84%	3.73%	3.65%	3.63%	3.60%	3.59%
10 Year Note	4.15%	4.17%	4.32%	4.46%	4.37%	4.34%	4.29%	4.27%	4.25%	4.23%
Unemployment Rate	4.3%	4.5%	4.3%	4.4%	4.4%	4.4%	4.4%	4.4%	4.3%	4.2%
CPI (YoY)	2.9%	2.7%	2.7%	3.9%	3.7%	3.6%	3.3%	2.2%	2.2%	2.2%
GDP (YoY)	2.3%	2.0%	2.6%	2.2%	1.6%	2.0%	2.0%	2.0%	2.1%	2.1%
Existing Home Sales (Mlns)	4.0	4.2	4.1	4.1	4.1	4.2	4.3	4.4	4.4	4.4
New Home Sales (000s)	687	711	627	679	688	697	712	725	731	739

Proposed FY2026-27 Operating Revenues

- Single family volume projections are supported by market expectations around new and existing home sales

- Multifamily revenues are higher due to increased interest earnings from permanent loan closings. Most loans converting in FY2026-27 are fully hedged.

OPERATING REVENUES

Fiscal Year 2026-27 Operating Budget
(in thousands)

SINGLE FAMILY LENDING	FY2025-26 REVISED BUDGET	FY2026-27 PROPOSED BUDGET	YOY BUDGET CHANGE ($)	YOY BUDGET CHANGE (%)
SECURITIZATION	$23,400	$27,800	$4,400	18.8%
LENDING FEES	0	0	0	0.0%
LOAN SERVICING	390	467	77	19.9%
ADMINISTRATION FEES	$14,250	$11,915	(2,335)	-16.4%
INTEREST	$6,764	$4,371	(2,393)	-35.4%
SINGLE FAMILY SUB-TOTAL	**$44,804**	**$44,553**	**($251)**	**-0.6%**

MULTIFAMILY LENDING	FY2025-26 REVISED BUDGET	FY2026-27 PROPOSED BUDGET	YOY BUDGET CHANGE ($)	YOY BUDGET CHANGE (%)
SECURITIZATION	$3,474	$2,328	($1,146)	-33.0%
LENDING FEES	11,326	11,758	432	3.8%
LOAN SERVICING	1,050	1,050	0	0.0%
ADMINISTRATION FEES	1,000	1,730	730	73.0%
INTEREST	14,700	16,460	1,760	12.0%
MULTIFAMILY SUB-TOTAL	**$31,550**	**$33,326**	**$1,776**	**5.6%**

SPECIAL PROGRAMS	FY2025-26 REVISED BUDGET	FY2026-27 PROPOSED BUDGET	YOY BUDGET CHANGE ($)	YOY BUDGET CHANGE (%)
ADMINISTRATION FEES	$0	$2,500	$2,500	

TOTAL OPERATING REVENUE	**$76,354**	**$80,379**	**$4,025**	**5.3%**

Operating Expenses support ambitious goals

- Investments in personnel, training, equipment and travel

19 NEW POSITIONS

10	Multifamily Programs
3	Office of General Counsel
2	Fiscal Services
1	Financing
1	Administration
2	Vacancy Pool

221 (240 Total Positions)

OPERATING EXPENSES

Fiscal Year 2026-27 Expenditures Budget (in thousands)

	FY2025-26 REVISED BUDGET	FY2026-27 PROPOSED BUDGET	YOY BUDGET CHANGE (%)
PERSONNEL (SALARIES & BENEFITS)	$33,802	$36,956	9.3%
GENERAL EXPENSES	868	795	-8.4%
COMMUNICATIONS	425	321	-24.4%
CONSULTING & PROFESSIONAL SERVICES	6,000	8,426	40.4%
INFORMATION TECHNOLOGY	2,816	3,172	12.7%
FACILITIES OPERATION	2,808	2,945	4.9%
TRAINING	325	400	23.1%
TRAVEL	440	540	22.5%
CENTRAL ADMINISTRATIVE SERVICES	2,753	3,180	15.5%
EQUIPMENT	270	810	200.0%
TOTAL OPERATING EXPENSES	**$50,506**	**$57,545**	**13.9%**

SUPPORTS GOALS 1 & 3

Investing in programs

- **Single family and marketing contracts** include funds to help administer Dream For All, CalAssist and Disaster Rebuilding.
    - Offset by state-funded revenues to reduce total CalHFA operating budget
    - True contract total becomes **$5,809,081**
- **Multifamily contracts** include funds for a new lending platform

	CONTRACT AMOUNT	
ADMINISTRATION	$385,000	
BOARD	$20,000	
ENTERPRISE RISK MGMT	$100,000	
EXECUTIVE	$346,000	
FINANCING	$50,000	
FISCAL SERVICES	$255,000	
GENERAL COUNSEL	$377,500	
INDIRECT COST	$5,000	
INFORMATION TECHNOLOGY	$1,391,106	
MARKETING	$2,205,475	$1,645,000 (Rebuild/CalAssist)
SINGLE FAMILY	$1,386,000	$972,000 (Rebuild / DFA)
MULTIFAMILY	$1,905,000	
AGENCY TOTAL	**$8,426,081**	

520 Capitol Mall
Proposed FY2026-27 Operating Budget

- CalHFA anticipates net operating revenue of $1.5 million for FY 2026-27
- CalHFA plans to continue to use net operating revenue to fund capital expenditures, including building improvements

	FY2026-27 PROPOSED BUDGET
OPERATING REVENUE	$2,879,890
OPERATING EXPENSES	$1,404,354
NET OPERATING REVENUE	$1,475,536
NON-OPERATING REVENUE	$789,119
NON-OPERATING EXPENSES	$2,139,325
NET NON-OPERATING REVENUE	($1,350,206)
NET CASHFLOW	**$125,330**

Questions?