CalHFA California Housing Finance Agency

Public Meeting Agenda

California Housing Finance Agency Board of Directors
Thursday, June 25, 2026
10:00 a.m.

Meeting Location:
California Bank & Trust Building
520 Capitol Mall
Lower Level Conference Room
Sacramento, CA 95814

This meeting is open to the public pursuant to Government Code Sections 11120-11132.

The meeting is available in person, on Zoom, and on YouTube. Public comments may be made in person or through Zoom.

Click here to view on YouTube:
[California Housing Finance Agency (CalHFA) - YouTube]

Click here to register on Zoom:
[CalHFA General Board Meeting - June 25, 2026]

NUMBER	DEVELOPMENT	LOCALITY	UNITS
25016	Gateway Tower	San Jose/Santa Clara	220

Sacramento Headquarters
500 Capitol Mall, Suite 1400
Sacramento, CA 95814
(916) 326-8000

9. Other Board matters

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

11. Adjournment

NOTES:

Parking: Public parking is available at the 520 Capitol Mall parking structure, with the entrance located on N Street.

Parking is managed via the Metropolis Parking App:

1. Go to **metropolis.io** or download the Metropolis Parking app.
2. Create an account.
3. Add your license plate number and payment method.

Cameras will automatically read your license plate upon entry and exit — no tickets or kiosks needed. Your payment will be processed automatically.

Refreshments: Available nearby, at Panera and Old Soul Coffee

MINUTES

California Housing Finance Agency (CalHFA)
Board of Directors Meeting
May 21, 2026
Meeting noticed on May 11, 2026

1. Roll Call

The California Housing Finance Agency Board of Directors meeting was called to order at 10:02 a.m. by Chair Cervantes. A quorum of members was present.

MEMBERS PRESENT:	Cabildo, Cervantes, Kergan (for Moss), Limón, Prince, Russell, Feigles (for Sin), White, Williams, Perrault (for Stephenshaw), Sertich
MEMBERS ARRIVING AFTER ROLL CALL:	Henning (for Ma)
MEMBERS ABSENT:	Muoto, Velasquez, Assefa
STAFF PRESENT:	Claire Tauriainen, Katherine McFadden, Kevin Brown, Rebbeca Franklin, Kelly Madsen, Courtney Pond
EARLY DEPARTURES:	Henning (for Ma), Kergan (replaced by Moss)
GUEST SPEAKERS:	Michael Lopez, Michael J. Lopez Consulting Alexander Pratt, AMCAL Multi-Housing, Inc. Catherine Coler, MRK Partners

2. **Approval of the meeting minutes** – April 16, 2026

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

3. Chairperson/Executive Director comments

Chairperson’s comments:

- Chair Cervantes congratulated Executive Director Sertich on his Senate confirmation.

- He announced that the Senate Rules Committee advanced the appointments of himself, Director Mouto, and Director Prince to the full Senate for a final vote.

- He noted that he attended the 45th anniversary of the Tenderloin Neighborhood Development Corporation and reflected how their financing work translates into real-world community impact, emphasizing the value of being "practical visionaries" as they transition into the strategic plan discussion.

Executive Director comments:

- Executive Director Sertich announced that Governor Newsom appointed Meagan Tokunaga-Block as CalHFA's Director of Program Development and Strategic Initiatives.

- He reported that the Governor's May Revision highlighted strong progress on the CalAssist mortgage fund, which has now provided $41 million in grants to 1,205 families, including over 1,000 Angelenos.

- He thanked staff for their extensive collaboration and outreach with state partners, survivors, and stakeholders to design an effective disaster rebuilding program, and noted that the Board will be informed on any needed future actions.

- He updated that 2,000 first-time homebuyers were notified of approved California Dream For All Program vouchers, giving them up to six months to purchase a home, with 15% targeted to qualified census tracts, and noted that a program update will be presented at a future meeting.

- He reported that 13 projects received 2026 Mixed-Income Program awards and are now being underwritten, with the remaining 2025 projects continuing through Board approval.

- Lastly, he announced upcoming travel for CalHFA staff and summarized recent outreach, including meetings with congressional California members, participation in affordable housing conferences, and engagement with tribal housing partners, with additional conferences planned next month.

4. Discussion, recommendation, and possible action to approve a final loan commitment for Sierra Vista Apartments, Project No 25-017, for 192 units in Roseville, Placer County Resolution 26-13:

Presented by Katherine McFadden, Director of Multifamily Programs and Kevin Brown, Housing Finance Chief

On a motion by Henning, the Board approved **Resolution No. 26-13.** The votes were as follows:

AYES:	Cabildo, Cervantes, Kergan (for Moss), Limón, Henning (for Ma), Prince, Russell, Feigles (for Sin), White, Williams
NOES:	None
ABSTENTIONS:	None
ABSENT:	Muoto, Velasquez

5. Discussion, recommendation, and possible action to approve a final loan commitment for La Estancia, Project No 25-014, for 190 units in Los Angeles, Los Angeles County Resolution 26-14

Presented by Katherine McFadden and Kevin Brown, with Guest Speaker Alexander Pratt

On a motion by Cabildo, the Board approved **Resolution No. 26-14.** The votes were as follows:

AYES:	Cabildo, Cervantes, Kergan (for Moss), Limón, Henning (for Ma), Prince, Russell, Feigles (for Sin), White, Williams
NOES:	None
ABSTENTIONS:	None
ABSENT:	Muoto, Velasquez

6. Discussion, recommendation, and possible action to approve a final loan commitment for Francis Avenue Apartments, Project No 25-011, for 232 units in Los Angeles, Los Angeles County – Resolution 26-15

Presented by Katherine McFadden and Kevin Brown, with Guest Speaker Catherine Coler

On a motion by White, the Board approved **Resolution No. 26-15.** The votes were as follows:

AYES:	Cabildo, Cervantes, Limón, Prince, Russell, Feigles (for Sin), White, Williams

NOES: None

ABSTENTIONS: Henning (for Ma)

ABSENT: Muoto, Velasquez, Moss

7. **Update on Fiscal Year 2026-29 Draft Strategic Plan**

Presented by Kelly Madsen, Director of Enterprise Risk Management and Compliance, Rebecca Franklin, Chief Deputy Director and Guest Speaker Michael Lopez

Lopez led a brief governance reflection exercise asking the Board to consider how they supported the previous Strategic Plan to inform their approach moving forward.

Franklin and Madsen provided an overview of CalHFA's strategic planning framework, outlining updates to the mission, vision, and three-year strategic goals; the rationale behind recent changes to the executive team structure; and the overall plan framework, including goals, metrics, and annual initiatives.

8. **Informational written reports:**

Chair Cervantes asked if there were any questions about written reports and there were none.

9. **Other Board matters**

Chair Cervantes asked if there were any other Board matters to discuss and then provided a recap of the topics raised by members during the meeting, including the following:

- Director Russell asked how developer inclusionary requests are calculated and how the emerging developer program works.
- Director Limón asked how legislative changes could impact development costs and project timing.
- Director Cabildo raised a broader question about project design standards and whether CalHFA can leverage its role in this area.

Chair Cervantes noted these topics will be coordinated with the Executive Director for future meetings. Director Williams then shared an informational update that Fresno Housing will host Senator Adam Schiff on May 29 to discuss Central Valley and statewide housing issues.

10. Public comment:

Chair Cervantes noted for the record that the Board received a written public comment regarding the affordable housing development, 921 Howard Street, in San Francisco. He then asked if there were any members of the public who wanted to provide public comment and there were none.

11. Adjournment

As there was no further business to be conducted, Chair Cervantes adjourned the meeting at 1:14 p.m.

MEMORANDUM

To: Board of Directors **Date:** June 25, 2026

From: Katherine McFadden, Director of Multifamily Programs
California Housing Finance Agency

Subject: Agenda Item 4 – Final Loan Commitment for Gateway Tower, Project No. 25-016

Development Information:

- The Executive Director has Board-delegated authority to approve loans up to $15,000,000; therefore, the Gateway Tower Development is seeking Board approval for a $43,950,000 permanent loan and a $4,000,000 Mixed-Income Program (MIP) subsidy loan, to construct a 220-unit new construction development at a total development cost per unit of $899,103.

- Both the permanent loan (35-year amortization) and MIP subsidy loan (residual receipts) will have terms of 30 years.

- The Project will have 120 units restricted at 30% of Area Median Income ("AMI"), 26 units restricted at 50% AMI, 48 units restricted at 60% AMI, and 24 units restricted at 70% AMI. There will be 2 unrestricted manager units.

- The Gateway Tower Development is proposed to be constructed in San Jose, Santa Clara County and developed by Core Affordable Housing, LLC who is an experienced affordable multifamily housing developer.

- Energy efficient and green design features include: the use of EnergyStar appliances, water efficient landscaping, low flow plumbing for toilets, showers, and sinks, rainwater management, bicycle facilities, and an indoor air quality management plan.

- Underwriting and term sheet variations; to ensure the deferred developer fee is repaid by year 15, the developer is requesting a larger than 50% share of surplus cash distribution to comply with tax credit investor requirements.
- To meet the 10% below market rent requirement, the underwriting rents for the 70% AMI studio units have been reduced to 66.8% AMI, the underwriting rents for the 70% 1-bedroom units have been reduced to 69.7% of AMI and the underwriting rents for the 70% 2-bedroom units have been reduced to 64.7% of AMI.
- The City of San Jose is requiring the Density Bonus Regulatory Agreement to be recorded in senior position to the CalHFA Deeds of Trust and Perm/MIP Regulatory Agreements. Prior to construction loan closing and closing of the CalHFA loan(s), the Density Bonus Regulatory Agreement is subject to CalHFA review and approval in accordance with agency underwriting standards. The Density Bonus Regulatory Agreement will be subject to CalHFA subordination and/or standstill requirements at permanent loan closing.

Project Architectural Renderings

Executive Summary	
CalHFA Project Number	25016
Project Name	Gateway Tower
Type of Development	New Construction Inner City Infill
Type of Project	Family
Total Units (MIP Restricted Units)]	220 (218 restricted)
Street Address	470 South Market Street
City, County, Zip Code	San Jose, Santa Clara, 95113
Borrower (Legal entity name)	Gateway Tower SJ, LP
Developer(s)	Core Affordable Housing, LLC
Co-Developer	N/A
Approved Conduit Issuances	
Conduit T/E Bond Issuance [CDLAC Meeting: 8/5/2025]	$61,000,000 (Assumes $55,278,188 need; includes 10% cushion and rounded up to nearest $1m)
Conduit Taxable Bond Issuance	$75,000,000 (Assumes $68,171,812 need; includes 10% cushion and rounded up to nearest $1m)
Conduit T/E Recycled Bond Volume Cap	$0
Requested CalHFA Financing for Approval	
CalHFA Tax-Exempt Permanent Loan Amount	$43,950,000 UW Rate and Loan Term: 6.73%; fixed- compounding; 1st lien; 35/30
CalHFA Taxable Permanent Loan Amount (if any)	$0 UW Rate and Loan Term: N/A
HUD Risk Sharing Requirement (1st lien loan)	Yes
CalHFA Subordinate/Subsidy Financing Type	$4,000,000 Mixed-Income Program (MIP) 2025 UW Rate and Loan Term: 3.00% simple; 2nd lien; residual receipts; due in 30 years
Key Dates and Approvals	
CDLAC Volume Cap Award Date	8/5/2025
CTCAC Tax Credit Award Date	8/5/2025
CDLAC Closing Deadline	9/21/2026
Construction Loan Closing Date [Est.]	7/24/2026
Est. CalHFA Loan Closing (perm conversion) Date	7/24/2029
Federal Tax Credits (LIHTC) Requested	Federal LIHTC Amount: $95,246,170
State Tax Credits Requested	State Tax Credit Amount: $12,695,387

Notes:
1. Project received initial CDLAC allocation of $95,423,012 on 8/5/2025. The allocation was revised on 9/12/26 to current award amount of $55,278,188.

1	Project Summary

Project Description

Gateway Tower (the "Project") is a new construction, family, mixed-income and mixed-use Project. The total development site area is 0.50 acres and is located in San Jose, Santa Clara County. The Project will consist of one 15-story elevator serviced building and 3,320 sq. ft of ground-floor commercial space. The commercial space will be part of the affordable parcel (not subdivided). There will be a direct commercial NNN lease which is a community benefit lease, and the current commercial tenant is expected to be the San Jose Jazz company who is expected to pay $1 per year to the project. There is $675,000 in the development budget to construct the commercial shell structure. Commercial income has not been used to size CalHFA's permanent debt. The Project will have total 220 residential units, of which 218 units will be restricted to between 30% and 70% of the Santa Clara County Area Median Income (AMI). There will be 33 studio units (424 sq. ft.), 100 one-bedroom units (566 sq. ft.), 77 two-bedroom units (762 sq. ft.), and 8 three-bedroom units (1,141 sq. ft.). In addition, one (1) one-bedroom units and 1 two-bedroom unit will serve as the manager's units. The Project will have 63 structured parking spaces for residential use and no spaces dedicated for commercial use.

The County will enter into a ground lease agreement with Borrower, Gateway Tower SJ, LP, for a 55-year term at a rent of $1 per annum, payable in full prior to the commencement of the lease term. CalHFA is expected to record its loan security against the leasehold interest of the land and fee interest of the improvements.

The project is of Type 1A steel frame construction on concrete slab foundation with a flat roof. In addition to CDLAC minimum design standards which include some sustainable building requirements like the use of EnergyStar appliances and installation of water efficient landscaping. Other project green design features include low flow plumbing for toilets, showers, and sinks; rainwater management; bicycle facilities; and an indoor air quality (IAQ) management plan.

The Project's financing structure includes financing from: Tax-exempt (T/E) bonds, Taxable bonds, 4% Federal Low Income Housing Tax Credit (LIHTC) equity, State Housing Tax Credit Equity, CalHFA Tax-Exempt Permanent Loan, CalHFA Subordinate financing through Mixed-Income (MIP) Subsidy Loan, a City of San Jose subordinate loan and a County of Santa Clara subordinate loan.

Inside Principal City?	Yes	Underserved or Distressed Tract?	No
Census Tract (CT)	06-085-5017.00	% Population Below Poverty Line	13.23%
CT Minority Population %	87.04%	Rural Area?	No
CT Income Level	Low	2025 Est. CT Median Family Income	$68,539
CDLAC/TCAC Opportunity Area Category		Low Resource	
CDLAC/TCAC Geographic Region		South and West Bay Region: San Mateo and Santa Clara Counties	
Project is located in DDA?		Yes	
Project is located in Federally-designated Qualified Census Tract (QCT) for LIHTC purposes?		Yes	

Legislative Districts:

- Congress: 18, Zoe Lofgren
- State Assembly: 25, Ash Karla

• State Senate: 15, Dave Cortese
Local Support: The City of San Jose Housing Department responded to CalHFA's locality contribution letter on 5/22/2025 and strongly supports the project.

2	Development and Financing Team				
Developer (Sponsor): Core Affordable Housing, LLC			**Co-developer (if any):** N/A		
	New to CalHFA?	No		New to CalHFA?	select
	Affordable Housing/LIHTC experience?	Yes		Affordable Housing/LIHTC experience?	select
	Has Projects in California?	Yes		Has Projects in California?	select
Borrower (Legal entity): Gateway Tower SJ, LP			**Co-Borrower (if any):** N/A		
Construction (Senior) Lender: 1) JP Morgan Chase Bank, NA			**Construction Subordinate Lender(s):** 1) City of San Jose 2) County of Santa Clara		
Permanent 1st lien Lender: 1) CalHFA			**Permanent Subordinate Lender(s):** 1) CalHFA (2nd lien) 2) City of San Jose 3) County of Santa Clara		
Federal LIHTC Investor: Enterprise Housing Credit Investments			**State LIHTC Investor:** Enterprise Housing Credit Investments		
	Tax Credit Amount	$95,246,170		Tax Credit Amount	$12,695,387
Solar Tax Credit Investor: N/A					
	Tax Credit Amount	$0			
General Contractor: CORE Builders JV			**Management Company (Property Manager):** Greystar		
	Is an affiliate of Developer?	Yes		Is an affiliate of Developer?	No
	Experience with CalHFA?	Yes		Total number of properties managed	0
Architect: DLR Group			**Service Provider:** Abode Services		
	Has worked with GC?	Yes		Required by TCAC or other Funding sources?	Yes
	Has experience designing and managing similar projects?	Yes		Terms of service (on-site, number of years)	15 years on-site
				Support Services Cost (per Operating budget)	$181,838/year
	Has housing projects in CA?	Yes		Per unit cost of services meets CDLAC/TCAC req.?	Yes
Financial Advisor: N/A			**Project Consultant:** N/A		

3	Requested CalHFA Financing for Approval		
CalHFA Financing Terms			
	CalHFA 1st Lien Perm Loan	**CalHFA Subordinate Loan (MIP Subsidy Loan)**	**Total CalHFA Financing**
Loan Amount ($)	$43,950,000	$4,000,000	$47,950,000
Loan Term (Year)	30	30	30
Amort. Term (Year)	35		40
Amort. Type	Partially Amortizing	Non-amortizing	
Lien Position	1st	2nd	
UW Interest Rate % (See Note 1)	6.73%	3.00%	
Loan to Value (%) (See Note 2)	73%	6.7%	
Combined LTV (CLTV) (%) (See Note 2)			79.7%
Loan to Cost (%) (See Note 3)	22%	2%	24%
Loan Repayment Source	Net Operating Income (NOI)	Residual Receipts	

4	Project Budget & Total Development Cost		
4a	Construction Financing		
Construction Lender	JP Morgan Chase Bank, NA		
CDLAC/CTCAC Construction Closing Deadline	9/21/2026		

	Bond Issuance Amount	Type of Issuance
Construction Conduit Issuance Amount	$55,278,188	Tax-Exempt
Construction Conduit Issuance Amount	$68,171,812	Taxable
Construction Conduit Issuance Amount	$0	T/E Recycled
Total	$123,450,000	

	Loan Amount	UW Rate	Loan Term
Construction Loan (T/E) (Interest-only, 1st lien during construction)	$55,278,188	6.60%, Variable	36 months plus two conditional 6-month extensions
Construction Loan (Taxable) (Interest-only, 2nd lien during construction)	$68,171,812	6.60%, Variable	36 months plus two conditional 6-month extensions
City of San Jose 3rd lien during construction	$38,440,000	3.00%	55 years starting at perm loan conversion
County of Santa Clara 4th lien during construction	$7,390,000	3.00%	55 years starting at perm loan conversion

Notes:
1. Construction interest reserve may be re-sized based on the final locked rate at construction closing. Any resulting funding gaps will be covered by the Developer until permanent loan closing.

4b	Construction Sources	
Construction Sources:	Amount ($)	% of Total
(Conduit) JP Morgan Chase - TEB (Loan)	$55,278,188	29.23%
(Conduit) JP Morgan Chase - Taxable Bonds (Loan)	$68,171,812	36.05%
City of San Jose (Loan)	$38,440,000	20.33%
Deferred Costs (Cost Deferral)	$5,033,020	2.66%
Enterprise Tax Credit Equity (Equity, LIHTC Investor)	$14,077,291	7.44%
County of Santa Clara (Loan)	$7,390,000	3.91%
Contributions from Operations (Net Operating Income)	$705,301	0.37%
Total Construction Sources	$189,095,612	100%

4c	Construction Uses	
Construction Uses:	Amount ($)	% of Total
Land and Improvement Value	$55	0.00%
Other Acquisition Costs	$208,445	0.11%
Construction/Rehab Costs	$144,121,269	76.22%
Soft Costs (A&E, Legal, Title, and Other Soft Cost)	$13,300,954	7.03%
Hard Cost Contingency (5.70% of Hard Costs)	$7,206,063	3.81%

Soft Cost contingency (2.24% of Soft Costs)	$1,096,575	0.58%
Financing Costs (Interest Reserves, Fees, Taxes, and Insurance)	$13,020,645	6.89%
Local Impact Fees and Permit Fees	$4,849,074	2.56%
Cash Portion Developer Fee	1,749,164	0.93%
Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees)	$858,787	0.45%
Operating Reserves	$2,684,581	1.42%
Total Construction Uses	$189,095,612	100%
Total Construction Cost per unit	$859,526	
Total Construction Cost per CalHFA MIP Regulated Unit	$867,411	

Notes:

1. CalHFA will require review and approval of independent third-party prepared plan and cost review report for project plans and specifications (plan & specs) and cost review prior to construction loan closing.
2. Construction Sources include Construction Period NOI assuming 7% occupancy between receipt of temporary certificate of occupancy to permanent loan conversion. This has been confirmed by the lease-up schedule of 7 months in the Appraisal. The Borrower will be required to cover any shortfalls by contributing a portion of the cash Developer Fee in the event this source of funds does not materialize or if there is a funding gap.
3. The total hard cost contingency in the project is 5.70% of the Hard costs, which includes the contingency in the GC Schedule of Values (SOV) and is pending review by the CalHFA inspector to meet the USRM requirements and project scope for completion within the stipulated budget.
4. The total soft cost contingency in the project is 2.24% of eligible costs and has been reviewed by the Multifamily staff to meet the USRM requirements and project scope for completion within the stipulated budget.
5. Remediation costs of $574,879 related to a soil vapor system are included in the construction budget and include asbestos and lead abatement of existing buildings, storm water prevention program, present class 2 soil off haul premium, soil vapor system budget, and underground storage tank removal.
6. The project budget includes $2,367,797 in offsite infrastructure costs which includes (1) demo and site preparation; (2) roadway and paving; (3) utility infrastructure; and (4) streetscape elements.

4d	Permanent Sources and Uses	
Permanent Sources:	**Amount ($)**	**% of Total**
CalHFA Perm Loan (Loan)	$43,950,000	22.2%
City of San Jose (Loan)	$38,440,000	19.4%
Deferred Interest (Accrued Interest)	$2,220,112	1.1%
CalHFA MIP Loan (Loan)	$4,000,000	2.0%
Deferred Developer Fee (Developer Fee, Deferral)	$7,398,604	3.7%
County of Santa Clara (Loan)	$7,390,000	3.7%
Contributions from Operations (Net Operating Income)	$555,301	0.3%
Tax Credit Equity (Equity, LIHTC Investor)	$93,848,605	47.4%
Total Permanent Sources	$197,802,622	100%

Permanent Uses:	Amount ($)	% of Total
Total Loan Payoffs	$189,095,612	95.6%
Cash Developer Fee paid at Perm Conversion	$1,308,407	0.7%
Deferred Developer Fees paid from cashflow	$7,398,604	3.7%
Total Permanent Uses	$197,802,623	100%
Total Development Cost per unit	$899,103	
Total Development Cost per CalHFA MIP Restricted Unit	$907,351	

4e	Developer Fee	
Developer fee category:	TCAC Maximum Limit	Actual Amount in Project Budget
Upfront Cash Developer Fee (a)	$6,000,000	$3,057,570
Deferred Developer Fee (DDF) paid from project cash-flow (b)		$7,398,604
Total Developer Fee (a) + (b)	$35,087,642	$10,456,174
Excess Developer Fee above TCAC Maximum Limit as General Partner (GP) contribution		$0

Notes:

1. To ensure the deferred developer fee is repaid by year 15, the surplus cash distribution is underwritten showing 100% being applied to reducing the deferred developer fee until full repayment which is currently projected in year 11. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lender(s). As a condition of this approval, the Borrower `must provide evidence that the DDF repayment structure is required pursuant to the Limited Partnership Agreement (LPA). In addition, the owner must provide evidence of investor and all residual receipt lender(s) approvals of the total deferred developer's fee structure and residual receipt split. Residual receipt lenders must also agree to defer the payments on their loans.
2. For the Final Commitment underwriting, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Tax Credit Investor's requirements (LOI) and/or Limited Partnership Agreement (LPA).
3. Any outstanding Deferred Developer Fee remaining in Year 15 and above TCAC Maximum Limit will be treated as developer contribution. The Limited Partnership Agreement (LPA) and the Tax Credit Investor written approval evidencing that any outstanding deferred developer fee remaining in Year 15 will be treated as a GP contribution will be required prior to construction closing.

4f	High-Cost Explanation (TDC exceeds $650,000 per unit)
Total Development Cost (TDC)	$197,802,622
Total Units	220
TDC/Unit	$899,103
High-Cost Explanation provided by Developer per CDLAC Regs Section 5233?	Yes
High-Cost explanation acceptable to CalHFA?	Yes
Summary of Project-specific factors contributing to high cost:	
i. Project located in HUD high-cost designated area?	☐
ii. State Prevailing Wage (PW) applicable to the project? (See Note 1)	☒

iii.	Increase in development cost due to demolition of existing building or structures? (See Note 2)	☒
iv.	Increase in development cost due to high environmental remediation costs? (See Note 3)	☒
v.	Increase in development cost due to significant off-site improvements due to site specific conditions? (See Note 4)	☒
vi.	Increase in development cost due to additional parking spaces or Type 1 podium garage or other commercial space requirements by City, community feedback or other?	☐
vii.	Other atypical costs included in the development cost budget? (See Note 5)	☒

Notes:

1. Prevailing wage adds **$20,744,024** (20%-30% more than typical construction costs) to development costs.
2. Demolition of existing structures include preservation work:

Temp Braces for Existing Façade	$335,100
Existing Historic Facade Preservation - 8" Shotcrete at backside of façade	$148,280
Temp Bracing, Window & Door Openings	$39,000
Install / Remove Whalers and Deadmen for Facade Braces	$26,200
Existing Historic Facade Glazing Infill & Storefront (Allowance)	$300,000
Underpinning Existing Historic Structure Footings (Allowance)	$150,000
Exterior Facade Historic Brick Preservation (Allowance)	$100,000
Scaffolding	$49,400
Total	**$1,147,980**

3. Additional environmental costs include:

Archaeological and Historical Reporting required by CEQA and NEPA	$400,000
Soil vapor mitigation and soil removal (See Section 5c for detail)	$574,879
Title 24 sustainability/Green requirement	$248,123
Total	**$1,223,002**

4. Offsite costs include:

Demo and Site Preparation	$304,308
Roadway and Paving	$486,740
Utility Infrastructure	$1,288,900
Streetscape Elements	$287,849
Total	**$2,367,797**

5. Additional construction costs include:

City-required Fire Rescue Air Replenishment System (FARS)	$1,200,000
Structured parking (additional $100,000 per space)	$6,300,000
Total	**$7,500,000**

5	Affordability Requirements
5a	CalHFA Regulatory Agreement Requirements

The CalHFA Permanent Financing Bond Regulatory Agreement will restrict a minimum of 40% of the total units at or below 60% AMI; with 30% of the total units (66 units) at or below 60% AMI and 10% of the total units (22 units) at 50% AMI for 55 years.

The CalHFA Subsidy Regulatory Agreement will restrict 218 units between 30% and 120% of AMI for a term of 55 years.

Number of Regulated Units and AMI Restrictions by Each Agency

Number of Units and Percentage of AMI Rents Restricted by each Agency

Regulating Agency	Number of Units Restricted For Each AMI Category						Total Units	Percentage
	Lien	30%	50%	60%	70%	120%	Regulated	Regulated
CalHFA Bond	1st		22	66			88	40%
CalHFA MIP	2nd	22	44		22	130	218	100%
CTCAC	5th	120	26	48	24		218	100%
City of San Jose	3rd			194	24		218	100%
County of Santa Clara	4th	120	26	48	24		218	100%
TOTALS		120	26	48	24	0	218	100%

Notes:

1. The CalHFA MIP Subsidy Regulatory Agreement requires 30% of total units at or below 50% of AMI. Of these, a minimum of 10% of total units must be at or below 30% of AMI (22 units at 30% AMI and 44 units at 50% AMI). An additional 10% of total units (22 units) must be restricted between 60% and 80% of AMI with a minimum average of 70% of AMI for a term of 55 years.
2. The rents for the 60% to 80% tranche will be determined by the minimum income limit of 70% of AMI, not to exceed 80% of AMI. The remaining 130 units will be restricted at or below 120% of AMI.
3. In addition, the Project will be restricted by the following jurisdictions described below:
    a. The City will restrict 194 units at or below 60% of AMI, and 24 units at or below 70% of AMI for a term of at least 55 years. The rents for these units are based off of income limits established by Section 8 of the US Housing Act of 1937 and as published in the California Code of Regulations for each county.
    b. The County will restrict 55 units for households referred through the County's Rapid Rehousing program (RRH) with incomes at or below 30% of AMI, 65 units at or below 30% of AMI, 26 units at or below 50% of AMI, 48 units at or below 60% of AMI, and 24 units at or below 70% of AMI for the later of (a) 55 years or (b) term of the ground lease.

5b	Unit Distribution for each AMI category

The table below outlines the distribution of units for each unit size by AMI category.

Rent Limit Summary Table						
	Studio	**1-bdrm**	**2-bdrm**	**3-bdrm**	**Total**	**% Total**
30%	25	30	59	6	120	55%
50%	4	11	10	1	26	12%
60%	0	48	0	0	48	22%
70%	4	11	8	1	24	11%
Manager	0	1	1	0	2	1%
Total	33	101	78	8	220	
AMI Avg	37.3%	51.0%	36.8%	37.5%	43.39%	

Note:

- The initial rents at permanent loan closing and in subsequent years must not be less than the underwritten rent levels outlined in the "Rent Summary Table" of the Financial Analysis enclosed as part of this Staff Report.
- The CalHFA regulatory agreement(s) will require minimum underwriting rent levels as outlined above.
- However, per an appraisal dated 3/17/2026 in order to comply with the requirement that rents be at least 10% below market, the Project's 70% AMI studio, 1br, and 2br rents must be set below the TCAC maximum rent limits.

6	**Financial Analysis**
6a	Project Operating Budget Assumptions

Total Units	220	Construction Start Date	7/24/2026
Regulated Units	218	Construction Completion Date	9/24/2028
Manager Units (Market Rate)	2	Construction Period (months)	26
Total Residential Square Feet	142,469	Lease-up Commencement Date:	9/24/2028
Avg Sq Ft/Unit	635	Lease-up Completion Date	4/24/2029
Rental Subsidies?	Yes	Lease-up Period (months)	7
No. of Units with Rental Subsidies	65	Est. Stabilization /Perm Conversion Date	7/24/2029
Rental Subsidy Contract Term (Initial)	20 years	Lease-up Completion to Stabilization (months)	10

6b	Project Operating Cash-flow Summary				
Operating Budget and Reserve Balances					
	Year 1	Year 5	Year 10	Year 15	Terminal Year 30
Adjusted Gross Income	4,334,616	4,784,605	5,413,341	6,124,699	8,870,390
Other Income/Subsidies	1,945,488	2,065,981	2,227,211	2,401,107	3,009,262
Projected Vacancy and Discount Loss	352,392	383,271	425,918	473,573	653,097
Effective Gross Income (EGI)	5,927,712	6,467,314	7,214,634	8,052,232	11,226,555
Total Operating Expenses	2,166,458	2,469,956	2,912,091	3,436,066	5,666,569
Reserve For Replacement	77,000	80,127	84,214	88,510	102,757
Net Operating Income (NOI)	3,761,254	3,997,358	4,302,542	4,616,166	5,559,986
Total Debt Service & Other Payments	3,270,032	3,270,032	3,270,032	3,270,032	3,270,032
Cash Flow After Debt Service	491,222	727,325	1,032,510	1,346,134	2,289,953
Debt Service Coverage Ratio	1.15	1.22	1.32	1.41	1.70
Income/Expense Ratio	2.74	2.62	2.48	2.34	1.98
Less:					
LP Management Fee*	18,000	20,259	23,486	27,227	0
GP Partnership Management Fee	7,000	7,879	9,133	10,588	0
Total Fees	$25,000	$28,138	$32,619	$37,815	$0
Annual Cap Limit	$40,500	$45,583	$52,843	$61,260	N/A
[*Note: Any Fees above the Annual Cap to be paid from Developer Distribution % below]					
Cashflow for Distribution					
Developer Distribution %	100%	100%	50%	50%	50%
Cumulative Developer Distribution	466,222	2,911,187	7,305,472	10,266,662	24,164,110
Residual Receipts %	0%	0%	0%	50%	50%
Cumulative Residual Receipts Repayment	0	0	0	2,961,190	16,858,637
Unpaid/Accrued CalHFA loan Balance					
Perm Loan	43,627,990	42,100,366	39,513,239	35,894,564	13,850,863
MIP Loan	4,000,000	4,480,000	5,080,000	5,494,808	6,218,618
Reserves Balances					
Operating Reserve	2,684,581	2,684,581	2,684,581	2,684,581	2,684,581

6c	Rental Assistance and Other Subsidy			
Type of Rental Subsidy	**Subsidy Administrator**	**Initial Term of Rental Subsidy Contract**	**Eligible Units**	**Renewal/Additional Term for Subsidy Contract**
Project-based Vouchers (Section 8 PBV)	HUD/County/Other	20 years	65	See Note 1

Notes:

1. The Housing of Santa Clara County (SCCHA) may at its discretion extend the contract for up to an additional 20 years; determination would be made between Y18 and Y20 of the initial term. As such, a transition operating reserve will not be required.

Other State and Local Subsidies:

Other State Subsidies: N/A

Other Locality Subsidies: The Project will be funded by other locality funds which include:

1. $38,440,000, City subordinate debt to be paid from residual receipts, Construction and Permanent Loan Term Sheet dated 4/24/2026
2. $7,390,000, County of Santa Clara subordinate debt to be paid from residual receipts, Conditional Award of Funds dated 3/11/2025

6d	Exit Analysis Requirements		
Exit Year	Year 30	**Assumed Refi Year**	Year 29
Cap Rate Increase	2.00%	**Interest Rate Increase**	3.00%
UW Loan Amount	$43,950,000	**Max. Refi Loan Size**	$44,370,389
Appraised Value	$66,424,779	**Max LTV at Refi**	67%
Unpaid Principal Balance After Refi Loan (1st Lien)	($28,264,697)	**Unpaid Principal Balance After Refi Loan (MIP Subsidy Loan)**	$0

Notes:

- The primary source of repayment for both the CalHFA 1st lien loan and MIP subsidy loan is refinance of the Project's first mortgage. The Exit analysis test for refinancing indicates that the Project will have the ability to fully repay the balance of the Agency's 1st lien loan and the MIP Subsidy loan (Principal and accrued interest).

7	**Insurance Requirements**

- **Seismic Review and Earthquake Insurance:** This new construction Project will be built to State and City of San Jose Building Codes so no seismic review is required, and the project will not be subject to Earthquake Insurance.
- **Flood Designation and Insurance:** The subject is located in Flood Zone D (area of undetermined flood hazard), therefore the Project will not be subject to flood insurance.
- **Other Insurance Requirements:** N/A

8	Environmental Review

- A Phase I Environmental Site Assessment identified evidence of Recognized Environmental Conditions (RECs) which include presence of petroleum hydrocarbons in the soil, ground water and soil gas. Benzene and ethylbenzene may present a vapor risk intrusion. A subsequent Phase II report completed a subsurface investigation to collect additional confirming information. Based on the investigation, the report recommends a plan to manage, mitigate, and/or remediate the potential risks in the apparent source areas.
- Site Management Plan (SMP) prepared by AEI Consultants and dated 5/2/2025 has been conditionally accepted by the County of Santa Clara Department of Environmental Health. The City of San Jose confirms that mitigation measures have been met, including an approved SMP and Work Plan. The SMP covers risk management measures related to UST removal, soil management, soil and groundwater sampling, groundwater management, construction impact mitigation measures, unknown conditions, and vapor intrusion mitigation (VIM).
- The development budget includes an estimated amount of $574,879 which is the anticipated costs associated with addressing these environmental issues per the environmental remediation budget provided by CORE Builders JVC (GC) and its subcontractors. To the extent the environmental budget is insufficient to address all the remediation or mitigation strategies, the Developer will be required to fund the expenses from their own sources.
- The final environmental remediation plan will be subject to CalHFA's approval prior to construction loan closing and a certification/documentation that evidence all environmental issues have been addressed during construction from the County of Santa Clara Department of Environmental Health will be subject to CalHFA's approval prior to permanent loan closing.

9	Underwriting and Term Sheet Variations

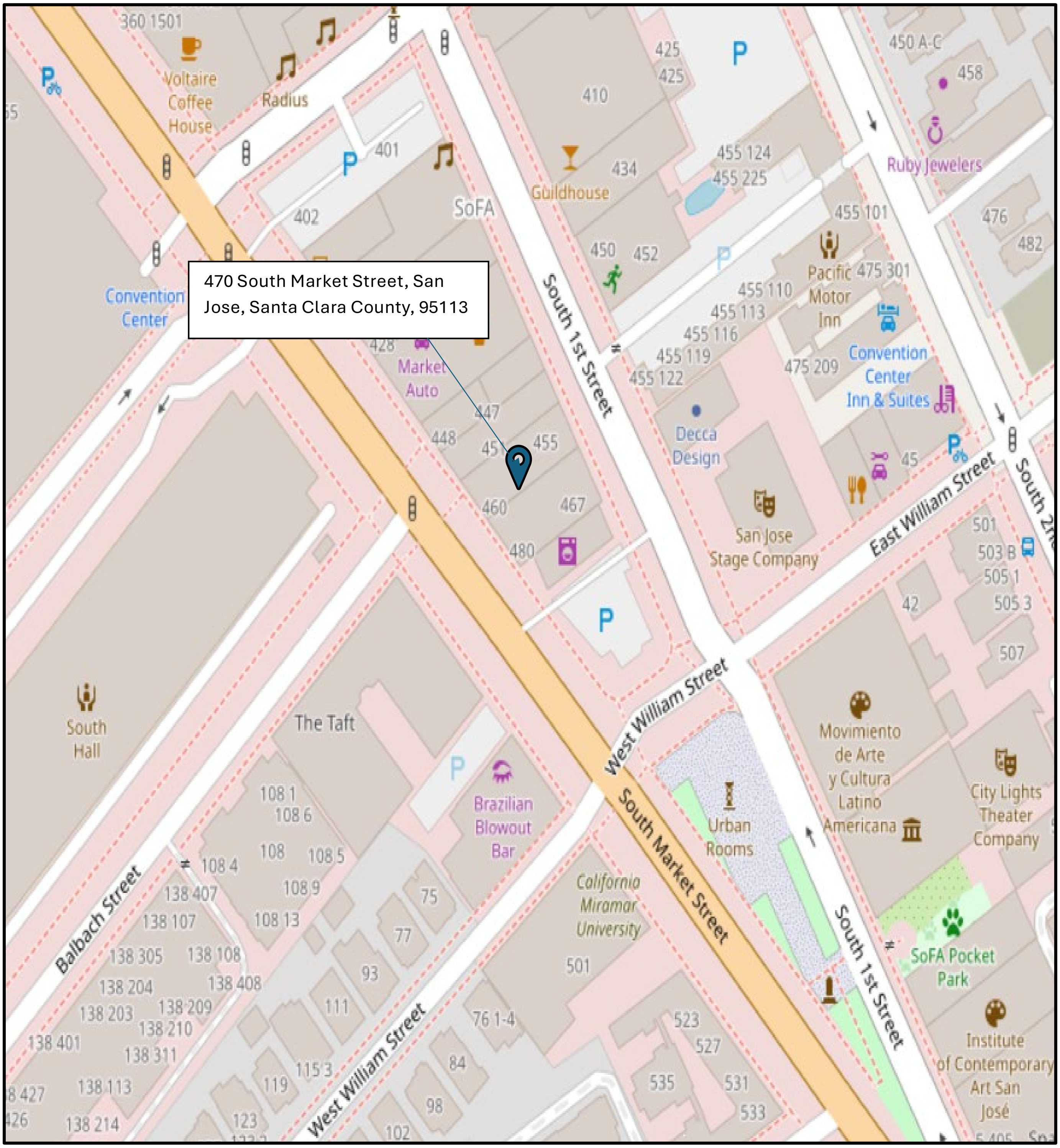
- To meet the 10% below market rent requirement, the underwriting rents for the 70% AMI studio units have been reduced to 66.8% AMI, the underwriting rents for the 70% 1-bedroom units have been reduced to 69.7% of AMI and the underwriting rents for the 70% 2-bedroom units have been reduced to 64.7% of AMI.
- The City of San Jose is requiring the Density Bonus Regulatory Agreement to be recorded in senior position to the CalHFA Deeds of Trust and Perm/MIP Regulatory Agreements. Prior to construction loan closing and closing of the CalHFA loan(s), the Density Bonus Regulatory Agreement is subject to CalHFA review and approval in accordance with agency underwriting standards. The Density Bonus Regulatory Agreement will be subject to CalHFA subordination and/or standstill requirements at permanent loan closing.
- To ensure the deferred developer fee is repaid by year 15, the surplus cash distribution is underwritten showing 100% being applied to reducing the deferred developer fee until full repayment which is currently projected in year 11. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lender(s). As a condition of this approval, the Borrower `must provide evidence that the DDF repayment structure is required pursuant to the Limited Partnership Agreement (LPA). In addition, the owner must provide evidence of investor and all residual receipt lender(s) approvals of the total deferred developer's fee structure and residual receipt split. Residual receipt lenders must also agree to defer the payments on their loans.

10	Approval Recommendation and Action

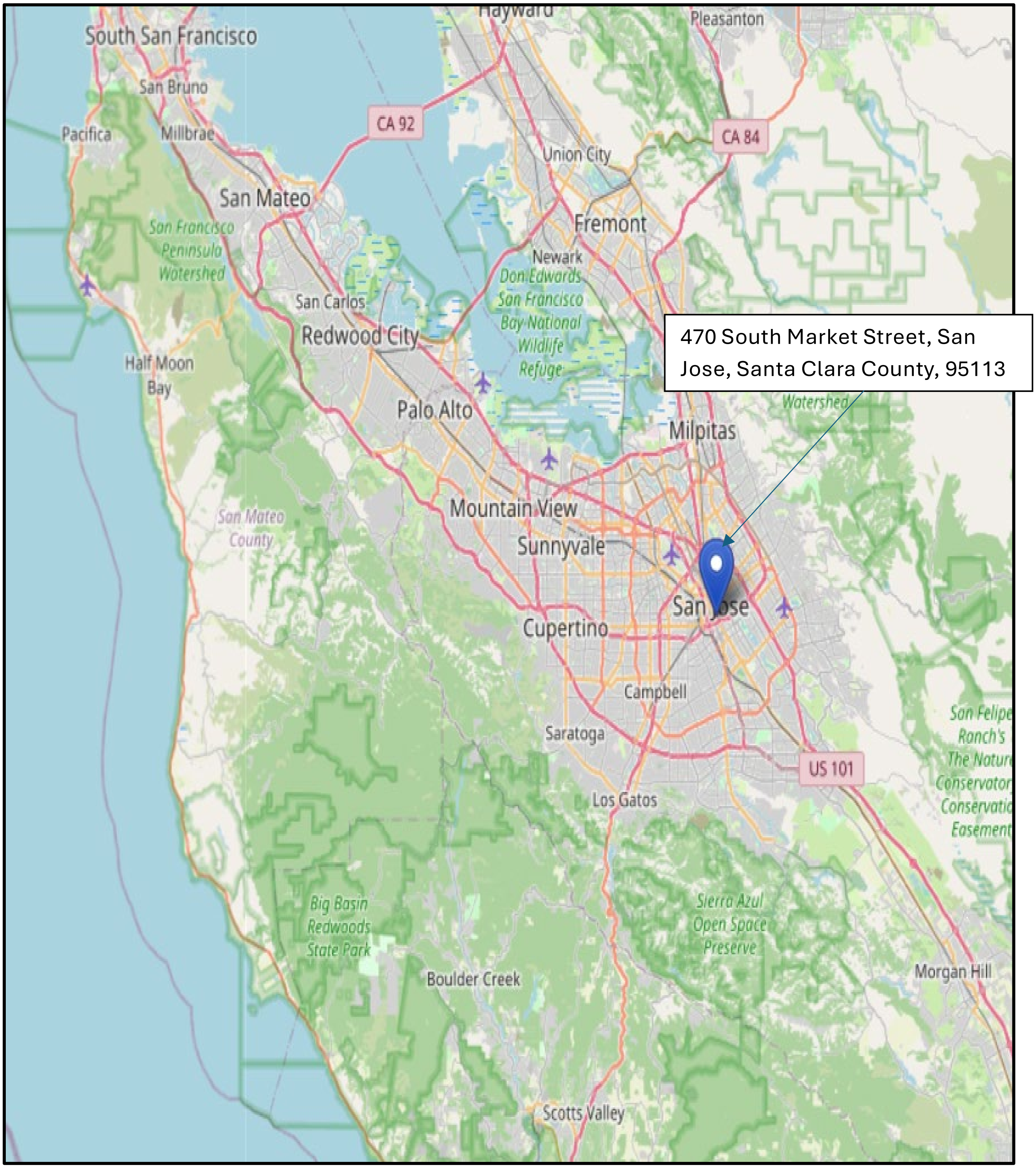
The Multifamily Lending Division supports approval of the described financing in the amount(s) requested, subject to the above proposed terms and conditions.

The Final Commitment of the Agency is subject to all CalHFA underwriting standards, applicable Term Sheet and CalHFA regulatory requirements, and any other applicable requirements. Any material deviation from the original financing structure, project changes, underwriting assumptions, or the failure of a condition of the Final Commitment Letter, if issued, can result in the Agency's decision to not proceed with the financing of the project at any stage during underwriting and prior to the closing of the Agency's financing.

Gateway Tower - Near



Gateway Tower - Far



BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 26-16

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "***Agency***") has received a loan application on behalf of Gateway Tower SJ, LP, a California limited partnership (the "***Borrower***"), seeking a loan commitment, the proceeds of which are to be used to provide financing for a multifamily housing development located in the City of San Jose, County of Santa Clara, California, to be known as Gateway Tower (the "***Development***"); and

WHEREAS, the loan application has been reviewed by Agency staff which prepared a report presented to the Board on the meeting date recited below (the "***Staff Report***"), recommending Board approval subject to certain recommended terms and conditions; and

WHEREAS, Agency staff has determined or expects to determine prior to making a binding commitment to fund the loan for which the application has been made, that (i) the Agency can effectively and prudently raise capital to fund the loan for which the application has been made, by direct access to the capital markets, by private placement, or other means and (ii) any financial mechanisms needed to insure prudent and reasonable financing of loans can be achieved; and

WHEREAS, pursuant to the Executive Director's authority to issue Conduit Bonds, under Resolution 25-08 the Agency has filed an application with the California Debt Limit Allocation Committee ("***CDLAC***") for an allocation of California Qualified Private Activity Bonds for the Development; and

WHEREAS, pursuant to Resolution 26-04, the Agency may additionally issue refunding bonds utilizing "Recycled" private activity bond volume cap pursuant to 26 U.S.C. 146(i)(6); and

WHEREAS, the Development has received a TEFRA Resolution as required by the Tax Equity and Fiscal Responsibility Act of 1983, and under 26 U.S.C. section 147(f); and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the Agency, as the issuer of tax-exempt bonds, to declare its reasonable official intent to reimburse prior expenditures for the Development with proceeds of a subsequent borrowing; and

WHEREAS, on March 10, 2025, the Interim Executive Director exercised the authority delegated to her under Resolution 15-16 to declare the official intent of the Agency to reimburse such prior expenditures for the Development; and

WHEREAS, the Agency has conditionally approved a subsidy loan pursuant to CalHFA's Mixed-Income Program ("***MIP***") pursuant to its authority under Resolutions 19-02 and 19-14; and

WHEREAS, the Board wishes to grant the staff the authority to enter into a loan commitment to provide permanent financing for the development and taking out the Conduit Bonds upon Agency staff determining in its judgment that reasonable and prudent financing mechanisms can be achieved;

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

1. The Executive Director, or in his absence, the Chief Deputy Director, is hereby authorized to execute and deliver a final commitment letter, in a form acceptable to the Agency, and subject to recommended terms and conditions set forth in the Staff Report and any terms and conditions as the Board has designated in the Minutes of the Board Meeting, in relation to the Development described above and as follows:

PROJECT NUMBER	DEVELOPMENT NAME/ LOCALITY	MORTGAGE AMOUNT	
25-016-A/X/N	GATEWAY TOWER City of San Jose, County of Santa Clara California	$43,950,000.00	1st Lien Bond Loan with HUD Risk Sharing
		$ 4,000,000.00	Mixed-Income Program Residual Receipts 2nd Lien Loan

The Board recognizes that in the event that staff cannot determine that reasonable and prudent financing mechanisms can be achieved, the staff will not enter into loan commitments to finance the Development. In addition, access to capital markets may require significant changes to the terms of loans submitted to the Board. Notwithstanding paragraph 2 below, the staff is authorized to make any needed modifications to the loan which in staff's judgment are directly or indirectly the result of the disruptions to the capital markets referred to above.

2. The Executive Director may modify the terms and conditions of the loan or loans as described in the Staff Report, provided that major modifications, as defined below, must be submitted to this Board for approval. "Major modifications" as used herein means modifications which either (i) increase the total aggregate amount of any loans made pursuant to the Resolution by more than 7%; or (ii) modifications which in the judgment of the Executive Director, or in his absence, the Chief Deputy Director of the Agency, adversely change the financial or public purpose aspects of the final commitment in a substantial way.

SECRETARY'S CERTIFICATE

I, Marc Victor, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 26-16 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 25th day of June, 2026, at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 25th day of June, 2026.

ATTEST: ____________________________

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

MEMORANDUM

To: Board of Directors **Date:** June 25, 2026

From: Kelly Madsen, Director of Enterprise Risk Management and Special Initiatives
California Housing Finance Agency

Subject: Agenda Item 5 - Proposed Strategic Plan FY 2026-29

The California Housing Finance Agency submits the Fiscal Years 2026–29 Strategic Plan for Board approval and adoption. The Plan outlines CalHFA's updated mission—*delivering reliable financing solutions to advance housing opportunities for Californians*—and sets a clear vision in which *every Californian can build a thriving life in a stable home*.

The Strategic Plan is structured around three primary goals:

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

2. **Expand Partnerships for Thriving Communities**
   Build thriving communities by working with our government partners to make housing easier to create and access.

3. **Efficiently Deliver Reliable Financing Solutions**
   Create simpler paths to reliable financing solutions by modernizing processes and building an empowered, high-performing workforce.

Each goal includes clear metrics, well-defined organizational capabilities, annual business plan initiatives, and what success looks like to ensure successful implementation.

For Fiscal Year 2026-27, CalHFA's Business Plan initiatives collectively emphasize:

- Building new, flexible, market filling financing products
- Driving toward more reliable, coordinated, and innovative financing solutions to create and preserve more housing
- Strengthening partnerships across all levels of government and industry
- Modernizing systems and operations for faster, more transparent delivery
- Developing an empowered workforce equipped for continuous improvement
- Ensuring long-term financial strength to sustain CalHFA's mission

The FY 2026-29 Strategic Plan represents our commitment to translating strategy into action that makes a real difference for the people and communities we serve. As we advance this work, we look forward to partnering with the Board to ensure CalHFA continues to expand access to stable, affordable homes across the state.

Board approval will authorize CalHFA to advance these initiatives, engage partners more effectively, modernize internal systems, and expand the Agency's impact in addressing California's significant housing challenges.

ATTACHMENTS

5-A FY 2026-29 Proposed Strategic Plan and FY 2026-27 Proposed Annual Business Plan Initiatives

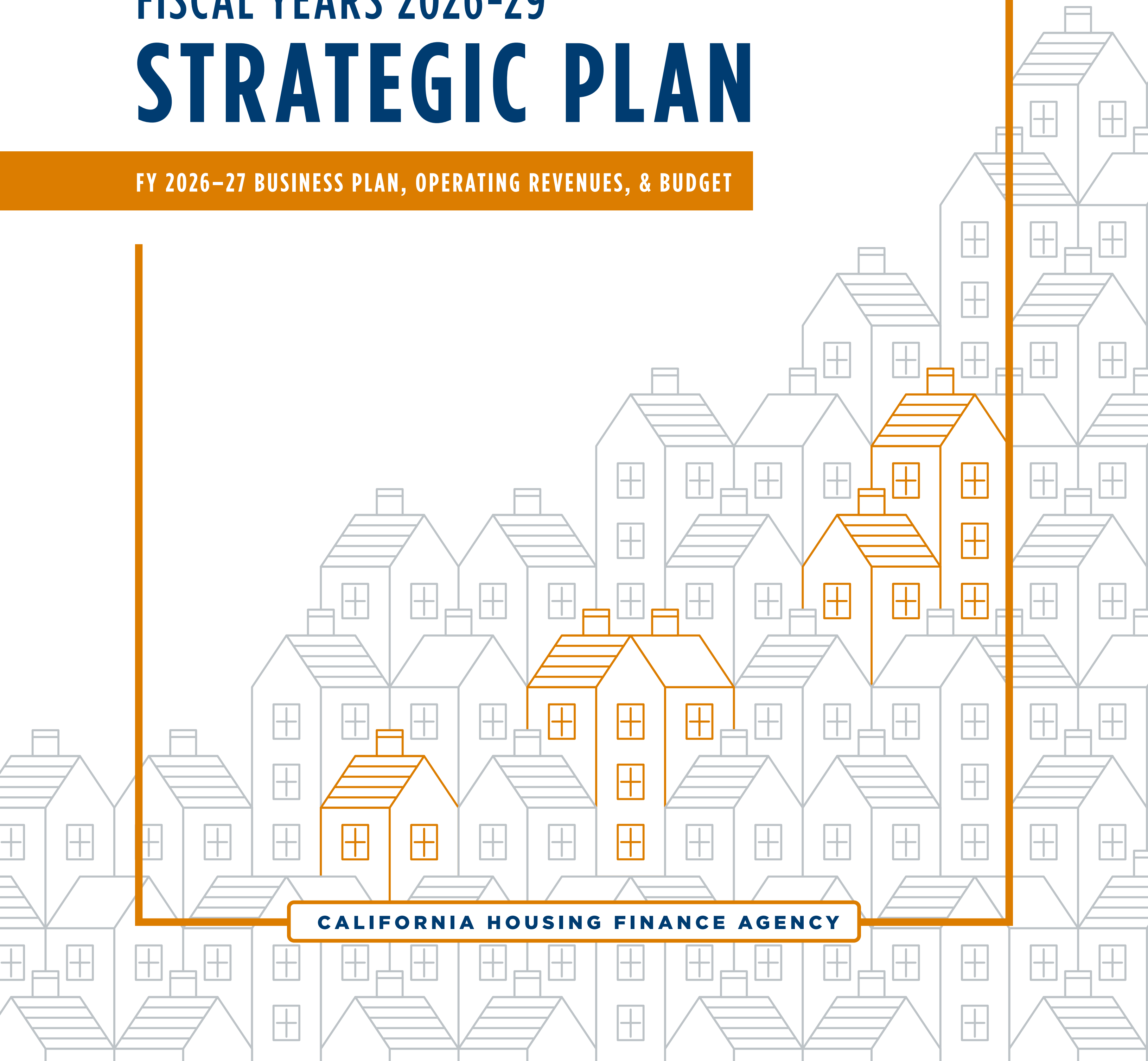
5-B Strategic Business Plan Resolution No. 26-17

5-C Business Plan Resolution No. 26-18

CalHFA[SM]

FISCAL YEARS 2026-29 STRATEGIC PLAN

FY 2026–27 BUSINESS PLAN, OPERATING REVENUES, & BUDGET



CALIFORNIA HOUSING FINANCE AGENCY

INTRODUCTION

Tony Sertich

Greetings,

I am honored to present the California Housing Finance Agency's 2026–2029 Strategic Plan. This Plan builds on the incredible progress the Agency has made in recent years and marks the beginning of CalHFA's next era, which will be focused on helping even more Californians access affordable homes and deeper alignment with our state partners as part of the new California Housing and Homelessness Agency.

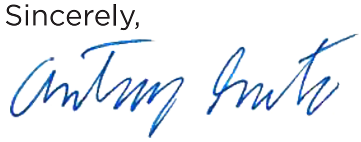
Guided by the CalHFA Board of Directors, this strategy is focused on delivering innovative, coordinated and reliable funding solutions; strengthening partnerships across sectors; modernizing our operations; investing in a highly capable and empowered team; and ensuring CalHFA's long term financial strength.

The goals and initiatives in this Plan were designed with acknowledgment of the Californians we serve, the people we work with to achieve success, and the vast capabilities of the experienced and talented CalHFA staff.

The Agency will lean on those capabilities, including financial expertise; product design and execution; collaboration; team development; and operational effectiveness as we move down this strategic path toward accomplishing our mission to *deliver reliable financing solutions to advance housing opportunities for Californians.*

I look forward to advancing this work with our partners, our Board, and the exceptional CalHFA team.

Sincerely,



Tony Sertich
Executive Director
California Housing Finance Agency

MISSION

Delivering reliable financing solutions to advance housing opportunities for Californians.

VISION

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

CORE VALUES

Our work is grounded in accountability, impact, integrity, respect, and teamwork.

ACCOUNTABLE	IMPACT	INTEGRITY	RESPECT	TEAMWORK
We are each responsible for actions, decisions, and quality of work.	We are committed to achieving equitable outcomes and opportunities.	We behave with honest and ethical purpose in all decisions we make, and the work we do.	We treat all people with dignity and accept them for who they are.	We value the collective and individual contributions of our team and collaboration with our partners.

GOAL 1

ADVANCE HOUSING OPPORTUNITIES

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

We're working to build more homes for Californians by using a mix of funding sources, exploring new approaches, and expanding programs that serve families and communities. Through initiatives that boost supply, provide construction financing, and protect existing housing, we'll open doors to homeownership and affordable housing for more people. These actions will help in addressing the broad housing needs of Californians.

MULTIFAMILY PROGRAMS METRIC

Develop and deploy lending products that support multifamily housing production and account for 50% of state private activity bonds allocated.

HOMEOWNERSHIP PROGRAMS METRIC

Expand single family lending products and programs to incentivize new entry-level single-family housing production such that 5% of single-family lending portfolio supports new supply.

CAPABILITIES*

+ Financial Expertise | + Product Design & Optimization | + Collaboration
+ Operational Effectiveness | + Team Development

* See the glossary on page 13 for capability definitions and other terms.

FISCAL YEAR 2026-27

Initiatives

1. Scale Employer Based Down Payment Assistance Program to include participation of additional partners.
2. Develop new homeownership supply program(s) to incentivize the production of new entry level homeownership products.
3. Develop and deploy a construction loan product that fills critical financing gaps and delivers mission-aligned capital to accelerate and increase multifamily housing production.
4. Develop and implement Preservation Financing Tools to support acquisition, rehabilitation and recapitalization that extends affordability and stabilizes aging multifamily properties.

Production Goals

FY 26-27 PRODUCTION (PROJECTED): 7/1/2026 - 6/30/2027

SINGLE FAMILY

Finance $2.5 billion in single family lending, serving 5,550 homebuyers.

	VOLUME	HOMEOWNERS
First mortgage securitization	$ 2,286,000,000	5,500
MyHome down payment assistance	$ 57,000,000	
Dream for All down payment assistance	$ 208,000,000	
	$ 2,551,000,000	**5,550**

MULTIFAMILY

Finance $626.3 million in on balance sheet lending, constructing 2,857 new homes.

Issue $2.4 billion of bonds, of which $1.4 billion of bonds will finance 4,127 homes.

	BONDS ISSUED	BALANCE SHEET LENDING	HOMES
Conduit Bond Program	$ 1,397,714,672	-	4,127
Mixed-Income Program (MIP)			
Conduit Bonds	$ 1,057,904,185	-	-
Permanent Loan Commitments	-	$ 447,096,796	2,707
Subsidy Loan Commitments	-	$ 79,238,500	-
Construction Lending Program	-	$ 100,000,000	150
	$ 2,455,618,857	**$ 626,335,296**	**6,984**

Success looks like...

Comprehensive, market-filling products:

Offering competitive lending solutions that address gaps, improve affordability, and support construction and preservation for a variety of housing types.

Coordinated, Reliable Execution:

Coordinating construction and permanent financing with clear terms and efficient processes, making CalHFA a trusted partner.

Support for Affordability and Longevity:

Providing financing tools for recapitalization, rehabilitation, and preservation to protect existing homes and for enabling new entry-level housing.

GOAL 2

EXPAND PARTNERSHIPS FOR THRIVING COMMUNITIES

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

CalHFA is building stronger partnerships with tribal, local, state, and federal governments to better coordinate on housing solutions. By sharing tools, standardizing processes, and offering more technical support, we can make program delivery simpler and faster, creating more opportunities for Californians to live in stable homes where they can thrive.

STATE PARTNERS METRIC

In partnership with Housing Development and Finance Committee, cut multifamily application review times in half and eliminate at least half of the duplicate asset-management work on projects that involve multiple state agencies.

TRIBAL PARTNERS METRIC

Increase coordination and program delivery with tribal governments through development of at least 1 new product.

LOCAL PARTNERS METRIC

Increase partnerships with local governments and housing authorities to support production through joint investments of at least $500M.

CAPABILITIES

Product Design & Optimization | Operational Effectiveness
Collaboration | Team Development

FISCAL YEAR 2026-27

Initiatives

1. Support the establishment of the Housing Development Finance Committee Executive Committee—developing governance structures, operational processes, public-meeting compliance mechanisms, and cross-agency coordination frameworks to fully operationalize the Committee.
2. Establish a coordination model that brings tribes, lenders, loan officers, developers, other state partners and localities together early in program and project development to build trust, reduce barriers, and strengthen tribal capacity to advance housing priorities.
3. Support Housing Authorities to more easily advance housing production through funding efforts with CalHFA.

Success looks like...

Unified Government Action:

Stronger collaboration to streamline housing finance and program delivery.

Accelerated, Efficient Processes:

Simplified, standardized approaches remove barriers, speed reviews, and improve resource use to remove barriers and accelerate housing statewide..

Expanded Partnerships for Impact:

Supporting housing production that builds thriving communities aligned with local and regional needs and goals.

GOAL 3

EFFICIENTLY DELIVER RELIABLE FINANCING SOLUTIONS

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

Our daily work is what turns CalHFA's mission into real impact. We will invest in our employees by expanding training, strengthening leadership skills, and fostering a workplace that supports teamwork and new ideas. We will also improve our systems, use data more effectively, and adopt technology that makes our work faster, easier, and more transparent. By aligning our people, tools, and goals, we will build an organization that can adapt and confidently meet future challenges. At the same time, we will manage risk and strengthen our financial position to ensure long-term stability and sustainability. Maintaining a strong financial position allows us to invest more deeply in the homes, communities, and partnerships that help people find stability and opportunity.

FINANCIAL SUSTAINABILITY & PORTFOLIO RESILIENCE METRIC

Maintain AA rating while increasing the value of the Agency's assets by at least 50%.

TRAINING METRIC

Achieve at least 80% staff participation in new training opportunities focused on building and strengthening our capabilities, with at least 75% learner satisfaction.

SYSTEMS METRIC

Improve workflows and technology to shorten the time from application to final approval in Multifamily lending by 25%.

CAPABILITIES

Financial Expertise | Collaboration | Operational Effectiveness | Team Development

FISCAL YEAR 2026-27

Initiatives

1. Launch a cross-divisional Multifamily Operations and Workflow Optimization program to drive efficiency by streamlining core processes, strengthening coordination among contributing divisions, integrating modern technology, and improving transparency through data-driven tools.
2. Procure and implement a unified end-to-end lending platform establishing a single, trusted source for all multifamily lending data and compliance.
3. Develop and provide a CalHFA specific training program that builds strong leaders and equips all employees with modern, practical tools to identify inefficiencies and improve how work gets done.
4. Modernize IT service delivery by standardizing processes and implementing reliable, transparent, and user-focused operations that equip staff with dependable tools to support CalHFA's mission.
5. Implement new online and on demand Lender Training System.

Success looks like...

Risk and Capital Alignment:

Managing risk across housing and capital market cycles and positioning capital for long-term housing goals, accepting increased value with ratings no lower than AA.

Engaged Experts Driving Impact:

A skilled, motivated workforce bringing creativity and leadership to solve housing challenges and deliver meaningful results for California communities.

Agile, Future-Ready Organization:

Modern systems and data-driven tools enable faster decisions, continuous improvement and adaptability, positioning CalHFA to meet evolving housing challenges with confidence.

Aligned People and Technology:

Empowered employees and streamlined processes work together to deliver greater efficiency, clarity, and impact in housing finance.

FY 2026-27 OPERATING BUDGET

OPERATING REVENUES

Fiscal Year 2026-27 Revenue Budget
(in thousands)

SINGLE FAMILY LENDING	FY 2025-26 REVISED BUDGET	FY 2026-27 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	FY 2025-26 REVISED BUDGET	FY 2026-27 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	FY 2025-26 REVISED BUDGET	FY 2026-27 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%**

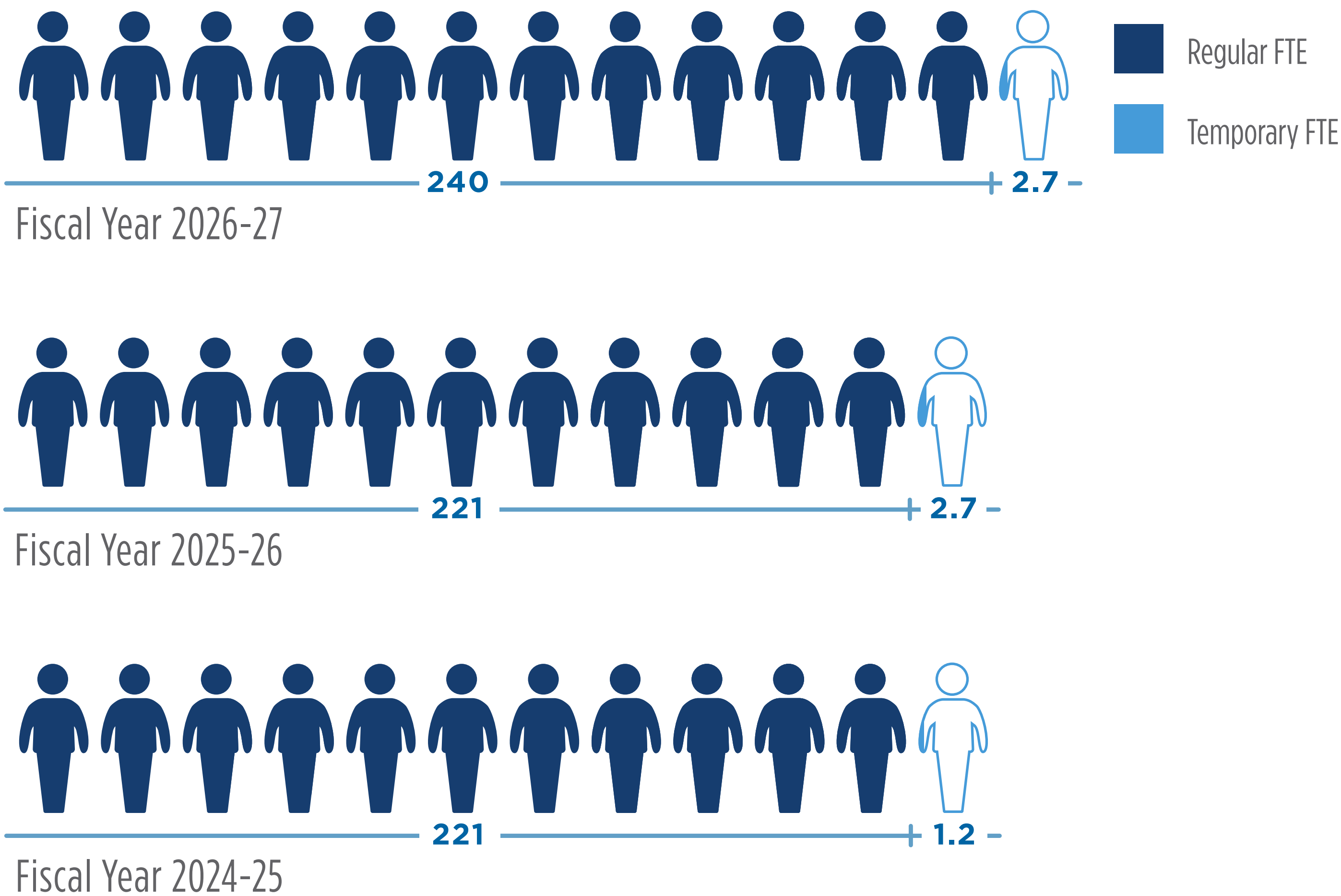
OPERATING EXPENSES

Fiscal Year 2026-27 Expenditures Budget
(in thousands)

	FY 2025-26 REVISED BUDGET	FY 2026-27 PROPOSED BUDGET	YOY BUDGET CHANGE ($)	YOY BUDGET CHANGE (%)
PERSONNEL (SALARIES & BENEFITS)	$33,802	$36,956	$3,154	9.3%
GENERAL EXPENSES	868	795	(73)	-8.4%
COMMUNICATIONS	425	321	(104)	-24.4%
CONSULTING & PROFESSIONAL SERVICES	6,000	8,426	2,426	40.4%
INFORMATION TECHNOLOGY	2,816	3,172	356	12.7%
FACILITIES OPERATION	2,808	2,945	138	4.9%
TRAINING	325	400	75	23.1%
TRAVEL	440	540	99	22.5%
CENTRAL ADMINISTRATIVE SERVICES	2,753	3,180	428	15.5%
EQUIPMENT	270	810	540	200.0%
TOTAL OPERATING EXPENSES	**$50,506**	**$57,545**	**$7,039**	**13.9%**
NET OPERATING REVENUE	**$25,848**	**$22,834**	**($3,014)**	**-11.7%**

STAFFING

FY 2026-27: 242.7 Full-Time Equivalent positions



GLOSSARY

Mission

Our core purpose – why CalHFA exists.

Vision

The future CalHFA is striving to create — the long-term, ambitious picture that guides our direction and decisions.

Values

The principles that guide our behavior and decision-making process.

Goals

The outcome we aim to achieve, aligned with our mission and priorities.

Metric

A measurable way to track progress toward a goal.

Capabilities

The internal strengths, skills, systems, and partnerships we must develop or maintain to deliver on our Goals.

Financial Expertise

- Skill in evaluating financial risks, analyzing capital needs, modeling scenarios, and making informed decisions about bond use, pricing, and portfolio health, as well as conducting loan underwriting and risk assessment for both single-family and multifamily lending.
- Ability to design, price, manage, and optimize capital across cycles and with a long-term strategic view while maintaining AA rating and generating sustainable net revenue.

Product Design & Optimization

- Skill in analyzing housing needs, gathering insight from partners, evaluating performance data, and using disciplined testing and judgment to design, improve, or retire products.
- Ability to continuously design, evaluate, adjust, and sunset financing products aligned with housing gaps, state priorities, and future-focused financial health.

Collaboration

- Skill in building trust, communicating clearly, and facilitating shared problem-solving with internal teams and external partners, drawing on cultural competency, community-specific engagement strategies, process analysis, and policy interpretation to create simple workflows and practices.
- Ability to collaborate across teams, divisions, and agencies to simplify processes, strengthen alignment and support a more connected housing finance ecosystem.

Operational Effectiveness

- Skill in designing clear workflows, using data to monitor performance, and applying continuous improvement methods to run efficient, accurate, dependable processes.
- Ability to modernize systems, automate workflows, integrate data, and use real time metrics to drive decisions, supported by strong data practices that produce clear, reliable analysis and reporting.

Team Development

- Skill in collaborating effectively, giving and receiving feedback, modeling expected behaviors, supporting shared learning, adapting with a growth mindset, and contributing to a culture of ownership, follow-through, and continuous improvement.
- Ability to build empowered teams, encourage cross-functional ownership, support transparent decision-making, and drive disciplined execution aligned rooted in growth-mindset principles.

CALIFORNIA HOUSING FINANCE AGENCY

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BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 26-17

RESOLUTION AUTHORIZING THE AGENCY STRATEGIC PLAN
FOR FISCAL YEARS 2026-2029

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

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

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

WHEREAS, the Agency must responsibly manage real estate-related risk and liquidity for operating expenses and financial obligations;

WHEREAS, the Agency has presented to the Board of Directors a Strategic Plan, for fiscal years 2026-2029, with its goals, objectives and measures of success designed to assist the Agency in meeting its financial obligations, its statutory objectives, and support the housing needs of the people of California. This strategic, longer-term road map was formed in alignment with CalHFA's vision and mission, to articulate the Agency's commitment and continuous efforts to serve the diverse communities of California, and to continue as a leading affordable housing lender providing bond financing and mortgage financing well into the future;

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

1. The 2026/27 – 2028/29 Strategic Plan, as presented by the written presentation attached hereto and made a part hereof, and any additional presentations made at the meeting, is hereby fully endorsed and adopted.

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

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

SECRETARY'S CERTIFICATE

I, Marc Victor, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 26-17 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 25th day of June 2026, at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 25th day of June, 2026.

ATTEST: ____________________________________

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

BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 26-18

RESOLUTION AUTHORIZING THE AGENCY BUSINESS PLAN
FOR FISCAL YEAR 2026/2027

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

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

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

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

WHEREAS, the Agency has presented to the Board of Directors a Business Plan, for fiscal year 2026/27, with its goals, key strategies and action items designed to assist the Agency in meeting its financial obligations, its statutory objectives, support the housing needs of the people of California and to provide the Agency with the necessary road map to navigate the current macroeconomic capital market challenges and continue as a leading affordable housing lender providing bond financing and mortgage financing well into the future;

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

1. The 2026/27 Business Plan, as presented by the written presentation attached hereto and made a part hereof, and any additional presentations made at the meeting, is hereby fully endorsed and adopted.

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

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

SECRETARY'S CERTIFICATE

I, Marc Victor, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 26-18 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 25th day of June 2026, at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 25th day of June, 2026.

ATTEST: ______________________________

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

MEMORANDUM

To: Board of Directors **Date:** June 8, 2026

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

Subject: Agenda Item 7 – FY 2026-27 Proposed Operating Budget

Background

The Operating Budget allocates CalHFA's financial resources to achieve annual initiatives and to provide ongoing support for existing programs. Preparation for this budget began in February 2026. In developing the FY 2026–27 Operating Budget, the Executive Team and Division Directors focused their requests on the resources necessary to support the implementation of the Strategic Plan and Business Plan. In prior meetings, staff reviewed the proposed metrics that are additionally brought forward for approval at this meeting, with particular attention to those aligned with Goal 1, helping more Californians access safe, stable homes by expanding programs and funding innovation, and Goal 3, creating simpler paths to reliable financing solutions by modernizing processes and building an empowered, high-performing workforce. These discussions included consideration of the resources required to meet the anticipated objectives. The Board will see that, while the Agency remains conservative and mindful in its requests, the support needed to achieve these goals is concentrated in three primary areas: contracts, personnel, and training.

Under the California Health and Safety Code, CalHFA's policy is to operate fiscally self-sufficiently.

Historical Financial & Budget Performance

The following table provides a summary of the Agency's operations including actuals for FY2022-23 through the current fiscal year.

	FY2022-23 Actuals	FY2023-24 Actuals	FY2024-25 Actuals	FY2025-26 Est. Actuals	FY2025-26 Rev. Budget	FY2025-26 Variance ($)	FY2025-26 Variance (%)
Operating Revenue*							
Single Family Programs							
Securitization				$41,076	$23,400	$17,676	75.5%
Lending Fees	$33,207	$26,874	$41,364	0	0	0	
Loan Servicing	521	525	853	729	390	339	87.0%
Administration Fees	14,866	7,728	13,805	13,247	14,250	(1,003)	-7.0%
Interest	6,091	7,371	7,331	5,616	6,764	(1,148)	-17.0%
Other				0	0	0	
Sub-Total	**$54,684**	**$42,498**	**$63,353**	**$60,669**	**$44,804**	**$15,865**	**35.4%**
Multifamily Programs							
Securitization				$5,543	$3,474	$2,069	59.6%
Lending Fees	$7,832	$6,003	$6,273	12,202	11,326	876	7.7%
Loan Servicing	1,461	1,486	1,509	1,308	1,050	258	24.6%
Administration Fees	7,623	6,802	6,753	2,055	1,000	1,055	105.5%
Interest	13,286	15,481	13,253	14,572	14,700	(128)	-0.9%
Other				205	0	205	
Sub-Total	**$30,201**	**$29,772**	**$27,787**	**$35,885**	**$31,550**	**$4,335**	**13.7%**
Total Operating Revenue	**$84,885**	**$72,270**	**$91,140**	**$96,554**	**$76,354**	**$20,200**	**26.5%**
Operating Expenditures							
Personnel (Salaries & Benefits)	$25,232	$27,614	$28,141	$30,942	$33,802	($2,860)	-8.5%
General Expenses	586	437	625	648	868	(220)	-25.3%
Communications	240	298	247	329	425	(96)	-22.6%
Consulting & Professional Services	1,787	2,605	3,334	3,949	6,000	(2,051)	-34.2%
Information Technology	1,364	1,766	2,053	2,111	2,816	(705)	-25.0%
Facilities Operation	2,850	2,530	2,737	2,786	2,808	(22)	-0.8%
Training	65	146	83	121	325	(203)	-62.6%
Travel	250	322	384	432	440	(8)	-1.9%
Central Administrative Services	1,989	1,977	2,295	2,753	2,753	0	0.0%
Equipment	28	112	403	835	270	565	209.2%
Total Operating Expenditures	**$34,391**	**$37,807**	**$40,302**	**$44,905**	**$50,506**	**($5,601)**	**-11.1%**
Net Operating Revenue	**$50,494**	**$34,463**	**$50,838**	**$51,649**	**$25,848**	**$25,801**	**99.8%**

*Operating revenues were reclassified to provide additional detail starting in FY2025-26 and therefore revenue categories may not be comparable between fiscal years.

Proposed FY 2026-27 Operating Budget

The following table summarizes the Agency's proposed budget compared with the prior fiscal year. Details are provided in the following section. Amounts shown are in thousands of dollars.

	FY2025-26 Rev. Budget	FY2026-27 Proposed	YoY Budget Change ($)	YoY Budget Change (%)
Operating Revenue				
Single Family Programs				
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%
Sub-Total	**$44,804**	**$44,553**	**($251)**	**-0.6%**
Multifamily Programs				
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%
Sub-Total	**$31,550**	**$33,326**	**$1,776**	**5.6%**
Special Programs				
Administration Fees	$0	$2,500	$2,500	
Total Operating Revenue	**$76,354**	**$80,379**	**$4,025**	**5.3%**
Operating Expenditures				
Personnel (Salaries & Benefits)	$33,802	$36,956	$3,154	9.3%
General Expenses	868	795	(73)	-8.4%
Communications	425	321	(104)	-24.4%
Consulting & Professional Services	6,000	8,426	2,426	40.4%
Information Technology	2,816	3,172	356	12.7%
Facilities Operation	2,808	2,945	138	4.9%
Training	325	400	75	23.1%
Travel	440	540	99	22.5%
Central Administrative Services	2,753	3,180	428	15.5%
Equipment	270	810	540	200.0%
Total Operating Expenditures	**$50,506**	**$57,545**	**$7,039**	**13.9%**
Net Operating Revenue	**$25,848**	**$22,834**	**($3,014)**	**-11.7%**

Authorized Positions

The FY 2026-27 budget includes a net increase of 19 positions, raising total staffing from 221 to 240 FTEs. These additions strengthen program delivery, expand capacity for lending and oversight, and support new organizational priorities. The positions are allocated to the divisions across the Agency in the table below.

	FY 2024-25 Approved	FY 2025-26 Approved	FY 2026-27 Proposed	FY 2026-27 Change
Executive	4	6	3	-3
Production				
Single Family Programs	46	44	44	0
Multifamily Programs	45	40	50	10
Operations				
Administration	16	16	18	2
Enterprise Risk Management	12	12	10	-2
Government Affairs	0	0	7	7
Information Technology	27	29	29	0
Marketing	8	10	8	-2
Office of the General Counsel	13	14	17	3
Finance				
Financing	11	10	11	1
Fiscal Services	32	32	34	2
Vacancy	0	8	9	1
Total	214	221	240	19

Key changes include:

- Multifamily Programs (10 positions): Expands capacity to meet higher production targets and advance deployment of the construction lending product, supporting the development and deployment of lending tools that increase multifamily housing production.

- Office of the General Counsel (3 positions): Addresses growing legal workload associated with construction lending, loan production, bond issuances, and supports succession planning.
- Fiscal Services (2 positions): Support increased financial oversight needs related to construction lending, loan volume, and bond transactions.
- Financing Division (1 position): Increases capacity for bond issuance activity and succession planning continuity.
- Administration (2 positions): Provides expanded support for program and product preparation, including workforce readiness initiatives such as staff training and leadership development.
- Vacancy Pool (1 positions): Establishment of a pool from current vacancies and unallocated positions creates a buffer to stabilize staffing transitions, reduce operational disruptions, and expedite backfills for critical roles.

CalHFA is organized into multiple divisions, with responsibilities as follows:

The Single Family Division is responsible for directing and administering the Agency's single family lending programs, servicing of down payment and certain legacy single family loans, directing and administering the single family loan portfolio, including quality assurance, loss mitigation, and servicer administration/short sales.

The Multifamily Programs Division contains two units, multifamily lending and asset management. Multifamily Lending is responsible for underwriting all multifamily direct loans, preparing documentation for loan closings and monitoring the construction of developments financed by direct loans from the Agency. Asset Management is responsible for monitoring the financial and physical status of the Agency's multifamily loan portfolio of approximately 300 projects, as well as occupancy compliance for low-income units.

The Administration Division is responsible for directing and administering the Agency's personnel, training, and business services.

The Enterprise Risk Management Division provides the foundation and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout CalHFA. The Enterprise Risk Management Division also contains the Agency's project management office.

The Information Technology Division has responsibility for developing, implementing and maintaining the IT infrastructure and application systems supporting the Agency.

The Marketing Division is responsible for developing and implementing the Agency's marketing programs and for managing all public information activities such as preparation of the annual report and press releases.

The Office of General Counsel is responsible for all legal matters that affect the Agency, including review of all contracts and legislation and supervision of loan closings for multifamily developments. The Office of General Counsel also provides legal advice to the Agency's Board of Directors.

The Financing Division is responsible for the Agency's financing activities, including the investment of Agency funds and management of the Agency's outstanding debt portfolio through the issuance of bonds, notes, and other debt instruments. The Financing Division also manages financial agreements such as interest rate swaps, bank credit facilities, and remarketing agreements.

The Fiscal Services Division is responsible for accounting activities, fiscal operations, in-house servicing of loans, preparation of the annual budget for the Agency, and preparation of Agency financial statements.

In addition, the budget establishes the new Governmental Affairs Division to improve coordination, policy alignment, and strategic program development. This division will advance key agency goals, including expanding partnerships with tribal governments, improving multifamily review processes, and enhancing cross-agency collaboration. The division includes:

- Legislation: Monitors and analyzes legislative proposals, coordinates with state and federal partners, and supports executive and program staff on legislative impacts.

• Program Development & Strategic Initiatives: Leads development and evaluation of lending programs, supports program innovation, oversees Board and Committee governance functions of CalHFA and the Housing Development and Finance Committee, and advances strategic initiatives through program design, coordination, and policy development.

FY2026-27 Operating Revenues

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

- Revenue from Single Family Programs is budgeted to decrease by $0.3 million to $44.6 million or -0.6%. While securitization revenues from sales of MBS to the market are budgeted to increase by $4.4 million, decreases in interest income and administrative fee income offset this increase.
- Multifamily Programs revenue is budgeted to increase by $1.8 million to $33.3 million or 5.6%. Securitization revenue is budgeted to decrease primarily due to the lack of "rollover" volume from the current fiscal year. Interest income is budgeted to increase by $1.8 million due to expected permanent loan conversions of multifamily commitments made in prior years.
- A new revenue category has been included for Special Programs in anticipation of new state funded initiatives. $2.5 million has been budgeted as revenues for a new program.

Total operating revenues are budgeted to increase by $4.0 million to $80.4 million or 5.3%.

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

- Mortgage rates are projected to remain at or around current levels for FY2026-27. Inflation is currently at 4.2% and expected to remain elevated for the next year remaining above the 2% target through the end of the fiscal year. Unemployment is also projected to increase slightly to 4.5%.

- Notwithstanding these macroeconomic trends, home sales are projected to increase nationwide.
- Treasury rates are projected to remain at or around current levels, with the 10-year treasury projected to be over 4.50%.
- Current market ratios between tax-exempt and taxable ratios strongly favors tax-exempt executions.
- Without volume cap for single family mortgage revenue bonds, TBA executions are projected to continue outperform bond executions given rate expectations.
- Multifamily tax-exempt bond executions are expected to out-perform expectations as fully hedged MIP 2022 loans convert to permanent loans.

Operating Expenditures

CalHFA's operating expenses are budgeted to increase by $7.0 million, from $50.5 million to $57.5 million, a 13.9% increase. The changes within each expenditure category are detailed below.

Part of this increase is due to a change in accounting practices and budget presentation. Beginning in FY 2026-27, the operational budget now includes the contracts for programs that CalHFA administers on behalf of the Administration or other governmental entities (e.g., Dream for All, CalAssist, NMS Counseling). These programs have separate funding sources, and while their contracts are presented within the operational budget, CalHFA is reimbursed, or the funds are fully replenished.

When these program-related contracts are removed, CalHFA's true operating expense increase drops to $4.4 million, for an adjusted total of $54.9 million, representing an 8.7% increase.

Personnel Services

Personnel costs are the largest component of the Agency's operating budget. As a State agency, CalHFA's personnel costs increase in line with contracts with individual bargaining units with the State.

For most CalHFA employees, the general salary increase of 3.0% effective July 1, 2026, has been deferred to July 1, 2027. In addition, the State and its employees have a 2-

year OPEB holiday equivalent to 3.0% through June 30, 2027. These one-time adjustments will save CalHFA approximately $1.3 million in FY 2026-27.

The FY 2026-27 budget authorizes an increase of 19 funded FTEs, growing total staffing from 221 to 240, at an estimated cost of approximately $2.4 million. As previously outlined, these positions are essential to supporting the desired production levels and the organizational capacity needed to deliver and sustain that work.

CalHFA employees may be eligible for a 5.0% merit salary increase at their anniversary date, provided the employee is not at their job classification's maximum salary. Benefits are also increasing at a rate higher than salaries. For FY 2026-27, the Agency's total personnel budget is proposed to increase by $3.2 million, from $33.8 million to $37.0 million, a 9.3% increase.

Consulting and Professional Services

Consulting and Professional Services represent the second largest operating expense category for the Agency. CalHFA utilizes professional services contracts to implement information technology solutions and to obtain external legal counsel, including Bond Counsel and Disclosure Counsel for both parity and conduit debt issuances. This category also includes external auditors for the Annual Comprehensive Financial Report, as well as marketing, outreach, and program delivery services.

For FY 2026-27, consulting contracts are budgeted to increase by approximately $2.4 million, from $6.0 million to $8.4 million, a 40.4% increase.

As previously stated, certain programs funded directly by the State, such as the California Dream for All Program, are supported by additional administrative funds to cover current and future operating expenses. For example, the Agency contracts out for the application portal for the Dream for All Program. When theses reimbursable program contracts are removed, the Consulting and Professional Services category reflects a decrease of approximately $200,000 compared to FY 2025-26.

The FY 2026-27 operational budget also includes several significant contract placeholders that support upcoming systems implementation and strategic initiatives. These include $1.0 million for a new lending platform, $350,000 for an electronic content management system, and $500,000 for training and short-term consulting services related to the setup and deployment of the construction lending program.

Facilities Operation

Facilities include the Agency's headquarters in Sacramento and assumed increases in lease rates. Facilities operations are projected to increase by $138,000, from $2.8 million to $2.9 million, a 4.9% increase.

Facilities operations do not include the Agency's purchase of 520 Capitol Mall. The budget for 520 Capitol Mall is presented in a separate memorandum for informational purposes.

Information Technology

The Information Technology line item includes software, systems maintenance, and small equipment purchases. In aggregate, information technology is budgeted to increase by $356,000 to $3.2 million, a 12.7% increase.

Central Administrative Services (Pro Rata): This is the proportionate share of the State's administrative costs determined by the Agency's overall staffing level relative to the total number of State employees. Two factors that have driven the increase are the higher share of CalHFA employees as a percentage of the total number of State employees and the additional accounts administered by the Agency.

This line item is budgeted to increase by $428,000 to $3.2 million, a 15.5% increase.

General Expenses

General expenses include storage, maintenance, and office supplies and materials. Memberships and subscriptions are also included in general expenses. General expenses are budgeted to decrease by $73,000 to $795,000, a 8.4% decrease.

Equipment

Equipment includes major informational technology equipment purchases. This line item is budgeted to increase by $540,000 to $810,000, a 200.0% increase. This is due to the purchase of new servers.

Communications, Travel, and Training

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

- Communications include postage, telephones, and conference/meeting space. This line item is budgeted to decrease by $104,000 to $321,000, a 24.4% decrease.
- Travel includes both in-state and out-of-state travel. Budgeted travel expenditure is budgeted to increase $99,000 to $540,000, a 22.5% increase.
- Training is budgeted to increase by $75,000 to $400,000, a 23.1% increase.

Net Operating Income

Net operating income for FY 2026-27 is budgeted at $22.8 million, a decrease of $3.0 million or 11.7%. Net income for this fiscal year is used to support future operations, fund loan loss reserves, and future program development.

Ratings

CalHFA's credit ratings reflect external evaluations of the Agency's financial strength, management, and overall operations. These ratings play a critical role in supporting investor confidence in CalHFA's debt issuances. The Agency is currently rated "Aa1" by Moody's Investors Service and "AA+" by S&P Global Ratings.

ATTACHMENT

7A – Resolution No. 26-19

MEMORANDUM

To: Board of Directors **Date:** June 8, 2026

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

Subject: Agenda Item 7 - FY 2026-27 520 Capitol Mall Budget

Background

The purpose of this memorandum is to inform the Board of Directors the current budget for 520 Capitol Mall for the fiscal year beginning July 1, 2026.

On August 21, 2025, the Board of Directors approved the purchase of 520 Capitol Mall as a potential future site for the Agency's Headquarters. On September 26, 2025, the Agency's revised offer of $22.3 million was accepted by the Bankruptcy Court. The purchase price was supported by an independent appraisal using a methodology for investment property valuation and the purchase was closed on November 13, 2025.

California Health and Safety Code Section 50915 requires that the Headquarters be in the City of Sacramento.

Preparation of Budget

Prior to the Agency's ownership, the building was operated on a calendar year basis, with the final full year being the 12-month period ending December 31, 2024. The estimated actuals for the current fiscal year ending June 30, 2026 includes approximately five months of operations from the prior owner and seven months of operations with CalHFA as the owner. For the upcoming fiscal year budget, CalHFA directed the property manager, Brennan Properties, to produce financial schedules aligning with the Agency's fiscal year ending June 30, 2027.

The budget assumes net revenues from operations to finance capital improvements or held as capital and operating reserves.

The following table is presented with different fiscal years due to the change in ownership. Not that the operating expenses do not include offsetting transfers to CalHFA and the payment of delinquent tax charges from prior ownership.

	Actual CY Ending 12/31/2024	Est. Actuals FY Ending 6/30/2026	Budget FY Ending 6/30/2027	Change
Operating Revenue				
Rent	$2,538,418	$2,365,840	$2,002,750	($363,090)
Parking	636,206	686,822	724,540	37,718
Storage & Signage	27,840	27,600	27,600	0
Other One-Time	0	0	125,000	125,000
Total	$3,202,464	$3,080,262	$2,879,890	($200,372)
Operating Expenses				
Building Operations	$1,023,154	$1,160,733	$1,248,743	$88,010
Parking	136,835	131,406	145,951	14,545
Other	16,224	7,658	9,660	2,002
Total	$1,176,213	$1,299,797	$1,404,354	$104,557
Net Operating Revenue	$2,026,251	$1,780,465	$1,475,536	($304,929)
Non-Operating Revenue				
Agency Contributions	$0	$416,868	$789,119	$372,251
Non-Operating Expenses				
Building Improvements	$80,589	$292,865	$589,220	$296,355
Elevator Replacement	0	416,868	605,119	188,251
Tenant Improvements	111,949	2,660	627,085	624,425
Leasing Commissions	161,660	7,303	317,901	310,598
Total	$354,198	$719,696	$2,139,325	$1,419,629
Net Cashflow	$1,672,053	$1,477,637	$125,330	($1,352,307)

Discussion

The operating budget for FY 2026-27 includes $2.9 million of operating revenue and $1.4 million of operating expenses, resulting in $1.5 million of net operating revenue. This includes $125,000 of one-time revenue from early termination of a lease, which is part of a coordinated arrangement that also facilitates CalHFA's planned use of a first-floor suite.

The building is currently 84 percent occupied, which is consistent with commercial real estate industry averages.

Rent is projected to decrease by $360,000 due to a pending vacancy of a full-floor tenant and the planned conversion of a first-floor suite into a Board Room and meeting space for CalHFA's use. Marketing and leasing efforts are underway to backfill the pending full-floor vacancy.

Additional leases will expire over the next few years, and it may become more challenging to fill space on a shorter-term basis without compromising our long-term occupancy plans. As a result, we anticipate that loss of rent may become more common as we move closer to our expected occupancy date.

Operating expenses are $104,000 higher, mainly due to wage increases, utility cost increases, and increased security monitoring.

Non-operating expenses are higher due to significant new building and tenant improvements. These include required ADA, safety, and security enhancements identified by the 520 Capitol Mall management team. In addition, the creation of the Board Room will require a relocation of the tenant and subsequent tenant improvements.

At a prior meeting of the Board of Directors, the Board was informed that the Agency would contribute funds for the elevator replacement. Costs to convert existing office space into the Board Room will also be funded by contribution from CalHFA, currently estimated at $184,000.

RESOLUTION NO. 26-19

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY AUTHORIZING THE AGENCY OPERATING BUDGET FOR FISCAL YEAR 2026-2027

WHEREAS, the Board of Directors of the California Housing Finance Agency (the “Agency”) has reviewed the proposed operating budget for the 2026-2027 fiscal year;

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

Section 1. The operating budget attached hereto is hereby approved for operations of the California Housing Finance Fund for the 2026-2027 fiscal year.

Section 2. The Executive Director is hereby authorized to adjust budget appropriations between cost categories and divisions to attain goals and objectives within the intent of the adopted Business Plan for the 2026-2027 fiscal year.

SECRETARY'S CERTIFICATE

I, MARC VICTOR, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 26-19 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 25th day of June 2026 at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 25th day of June, 2026.

ATTEST: ______________________________

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

MEMORANDUM

To: Board of Directors **Date:** June 25, 2026

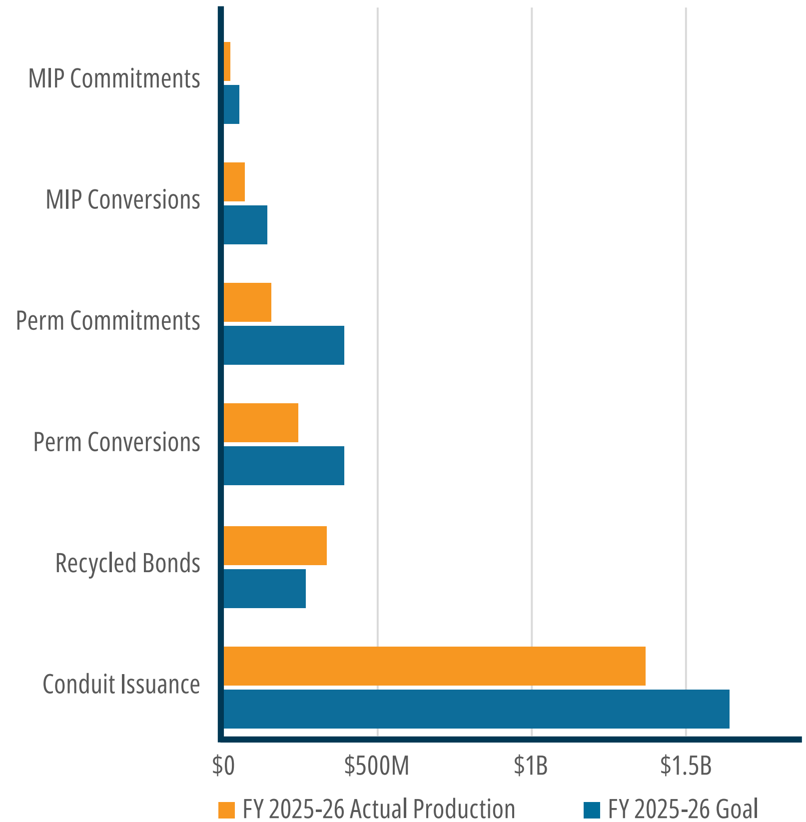
From: Katherine McFadden, Director of Multifamily Programs
California Housing Finance Agency

Subject: Agenda Item 8A – Multifamily Quarterly Loan Production Report

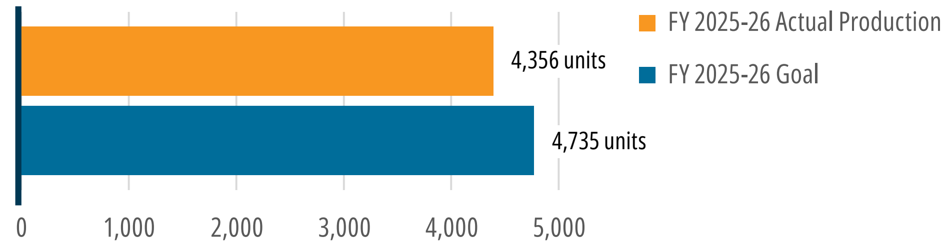
CalHFA offers a variety of loan programs with competitive rates and long-term financing to advance the creation and preservation of affordable housing for people who truly need it. CalHFA's Taxable, Tax-Exempt, and/or CalHFA funded Permanent Loan programs provide competitive long-term financing for affordable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

MULTIFAMILY LOAN VOLUME AS OF MARCH 31, 2026

GRAPH: Fiscal Year 2025-26 Multifamily Loan Production



GRAPH: Multifamily Unit Production



GRAPH: Production Volume By Program

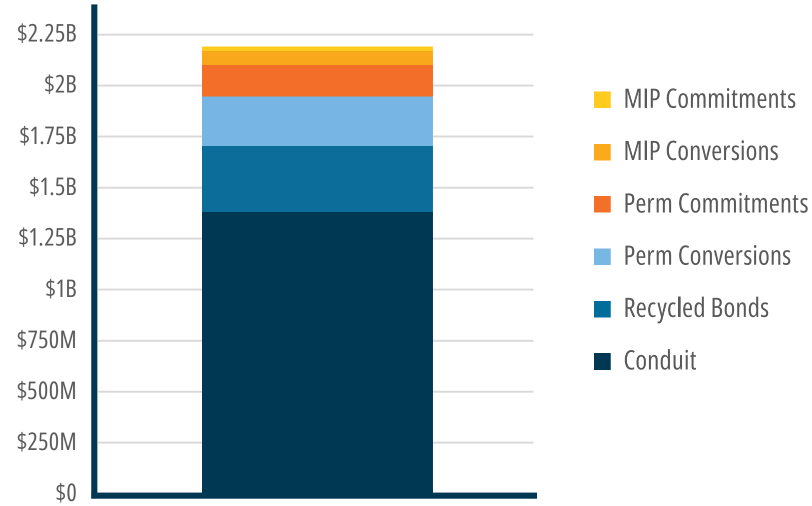


TABLE: CalHFA Multifamily Production Summary

	Conduit Issuance	Recycled Bonds	Perm Conversions	Perm Commitments	MIP Conversions	MIP Commitments	Total All Programs
FY 2025-26 Goal	$ 1,637,675,383	$ 264,907,561	$ 389,841,906	$ 389,392,139	$ 139,321,897	$ 49,300,000	$ 2,870,438,886
FY 2025-26 Actual Production	$ 1,366,467,703	$ 333,426,000	$ 240,623,025	$ 153,632,893	$ 66,753,234	$ 20,300,000	$ 2,181,202,855
Percent of Goal Complete	83%	126%	62%	39%	48%	41%	76%
FY 2025-26 Projected Production	$ 2,029,806,553	$ 367,002,845	$ 359,612,261	$ 354,201,870	$ 107,133,681	$ 45,300,000	$ 3,263,057,210
Projected Percent of Goal Complete	124%	139%	92%	91%	77%	92%	114%

MULTIFAMILY LOAN COMMITMENTS AS OF MARCH 31, 2026

TABLE: Multifamily Loan Commitments (Closed)

	Project Name	Underwriting Type	City	Project Type[1]	Closing Date	Units[2]	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Permanent	MIP
1	Wakeland Riverwalk	Conduit - Reg Only	San Diego	FN	7/3/2025	190	$ 70,150,547	$ 2,438,267	$ 1,000,000	-	-
2	The Grant at Mission Trails	Conduit - Reg Only	San Diego	FN, HM	7/22/2025	48	$ 21,973,452	$ 3,351,839	-	-	-
3	4575 Scotts Valley Apartments	Conduit - Reg Only	Scotts Valley	FN	7/30/2025	100	$ 46,115,461	$ 32,350,385	-	-	-
4	Vera Avenue Apartments	Conduit - MIP & Perm	Redwood City	FN	8/4/2025	178	$ 49,815,000	$ 35,500,000	$ 8,000,000	$ 28,538,000	$ 4,000,000
5	Julian Street Studios	Conduit - MIP & Perm	San Jose	FN	8/4/2025	305	$ 71,850,000	$ 55,250,000	$ 11,250,000	$ 44,863,000	$ 4,000,000
6	Monarch Hillside Affordable Apartments	Conduit - Reg Only	San Diego	FN	9/9/2025	249	$ 13,500,000	-	$ 45,000,000	-	-
7	3981 Meier	Conduit - Reg Only	Los Angeles	FN	9/11/2025	75	$ 10,900,000	-	$ 3,425,000	-	-
8	5625 Case	Conduit - Reg Only	Los Angeles	FN	9/19/2025	70	$ 10,270,000	-	$ 4,430,000	-	-
9	Avanzando San Ysidro	Conduit - Reg Only	San Diego	FN	9/23/2025	103	$ 49,000,000	$ 13,475,756	$ 1,000,000	-	-
10	Monterey Family Apartments	Conduit - MIP & Perm	Gilroy	FN	9/26/2025	94	$ 32,785,598	$ 12,400,000	$ 4,000,000	$ 21,573,000	$ 1,500,000
11	8911 Ramsgate	Conduit - Reg Only	Los Angeles	FN	9/26/2025	77	$ 11,160,000	-	$ 4,770,000	-	-
12	U.S. Vets - West LA VA Building 300	Conduit - Reg Only	Los Angeles	HM	9/29/2025	44	$ 16,826,214	$ 6,173,786	-	-	-
13	4345 Matilija	Conduit - Reg Only	Sherman Oaks	FN	10/8/2025	75	$ 10,755,000	-	$ 3,545,000	-	-
14	Sutter Street	Conduit - MIP & Perm	San Francisco	FN	10/9/2025	102	$ 43,695,000	-	-	$ 15,300,000	$ 4,000,000
15	Foothill Family Apartments	Conduit - Reg Only	Oakland	FN	10/15/2025	65	$ 33,765,000	-	-	-	-
16	5749 Brynhurst	Conduit - Reg Only	Los Angeles	FN	10/15/2025	53	$ 8,840,000	-	$ 2,735,000	-	-
17	3412 Victoria Avenue	Conduit - Reg Only	Los Angeles	FN	10/28/2025	58	$ 8,965,000	-	$ 2,435,000	-	-
18	1612 Apartments	Conduit - MIP & Perm	Modesto	FN	10/31/2025	0	$ 1,672,701	-	-	-	-
19	831 Water Street	Conduit - MIP & Perm	Santa Cruz	FN, SN	10/31/2025	140	$ 53,900,000	$ 20,500,000	-	$ 36,516,568	$ 4,000,000
20	VA Building 408	Conduit - Reg Only	Los Angeles	SN	10/31/2025	101	$ 40,700,000	-	-	-	-
21	U.S. Vets - West LA VA - Building 409	Conduit - Reg Only	Los Angeles	SN	11/13/2025	117	$ 41,765,000	-	-	-	-
22	5035 Coliseum	Conduit - Reg Only	Los Angeles	FN	12/5/2025	800	-	-	$ 53,996,000	-	-
23	Lido Square	Conduit - Reg Only	Pittsburg	FN	12/11/2025	173	$ 73,920,421	-	$ 3,000,000	-	-
24	Residency at Sky Village Hollywood	Conduit - Reg Only	Los Angeles	SR, SN	12/22/2025	523	$ 159,500,000	$ 78,500,000	$ 2,000,000	-	-
25	U.S. Vets - West LA VA Building 256	Conduit - Reg Only	Los Angeles	VT	12/24/2025	41	$ 15,500,000	$ 6,396,632	-	-	-
26	Residency at The Entrepreneur Hollywood	Conduit - Reg Only	Los Angeles	SR, SN	1/15/2026	0	-	$ 4,000,000	-	-	-

1 FN: Family/Individual, SR: Senior, SN: Special Needs, VT: Veterans, HM: Homeless, NT: Non-Targeted

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

MULTIFAMILY LOAN COMMITMENTS AS OF MARCH 31, 2026

TABLE: Multifamily Loan Commitments (Closed), continued

	Project Name	Underwriting Type	City	Project Type[1]	Closing Date	Units[2]	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Permanent	MIP
27	U.S. Vets - West LA VA Building 300	Conduit - Reg Only	Los Angeles	HM	2/5/2026	0	$ 6,173,786	-	-	-	-
28	The Walk Residences	Conduit - MIP & Perm	Norwalk	VT	2/6/2026	56	$ 14,312,858	-	-	$ 6,842,325	$ 2,800,000
29	U.S. Vets - West LA VA Building 256	Conduit - Reg Only	Los Angeles	VT	2/11/2026	0	$ 4,500,000	-	-	-	-
30	Market Two	Conduit - Reg Only	San Diego	NT	2/20/2026	272	$ 45,000,000	$ 30,900,000	$ 10,000,000	-	-
31	La Vista Residential	Conduit - MIP & Perm	Hayward	FN	3/3/2026	0	$ 3,000,000	-	-	-	-
32	Santa Monica Christian Towers	Conduit - Reg Only	Santa Monica	SR	3/16/2026	163	$ 80,000,000	-	$ 7,920,000	-	-
33	Napa Creek Manor Apartments	Conduit - Reg Only	Napa	FN	3/18/2026	84	$ 14,920,000	-	$ 14,920,000	-	-
34	5035 Coliseum	Conduit - Reg Only	Los Angeles	FN	3/19/2026	0	-	-	$ 150,000,000	-	-
						4,356	$ 1,065,231,038	$ 301,236,665	$ 333,426,000	$ 153,632,893	$ 20,300,000

1 FN: Family/Individual, SR: Senior, SN: Special Needs, VT: Veterans, HM: Homeless, NT: Non-Targeted

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

MULTIFAMILY LOAN COMMITMENTS AS OF MARCH 31, 2026

TABLE: Multifamily Loan Commitments (Projected Closings)
Q4 - 04/01/2026 - 06/30/2026

Project Name	Underwriting Type	City	Project Type[1]	Closing Date	Units[2]	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Permanent	MIP
Banana Belt Apartments	Conduit - Reg Only	Santa Cruz	FN	4/9/2026	83	$ 21,300,000	$ 28,300,000	-	-	-
San Regis Apartments	Conduit - Reg Only	Van Nuys	FN, SR	4/15/2026	0	$ 87,350,000	$ 1,000,000	-	-	-
Addison	Conduit - Reg Only	San Diego	FN	4/29/2026	126	$ 25,200,000	$ 24,396,260	$ 3,000,000	-	-
Sherman Apartments	Conduit - MIP & Perm	Los Angeles	NT	5/1/2026	244	$ 41,250,000	-	$ 10,500,000	$ 29,808,000	$ 4,000,000
960 Howard Street	Conduit - MIP & Perm	San Francisco	FN	5/4/2026	202	$ 47,265,334	$ 34,736,451	$ 3,412,361	$ 38,530,000	$ 1,000,000
Creekside Commons	Conduit - Reg Only	Santa Clarita	FN	5/12/2026	128	$ 26,500,000	$ 21,000,000	$ 8,000,000	-	-
Pinnacle Pass Apartments	Conduit - Reg Only	Scotts Valley	FN	5/14/2026	40	$ 17,500,000	$ 16,800,000	-	-	-
Victoria Flats	Conduit - MIP & Perm	Ventura	FN	5/22/2026	104	$ 19,152,525	$ 19,700,000	$ 100,000	$ 20,136,450	$ 4,000,000
Owl's Landing	Conduit - Reg Only	Livermore	FN	6/2/2026	72	$ 9,812,428	$ 1,899,679	$ 2,824,516	-	-
Ladera	Conduit - Reg Only	San Diego	FN	6/10/2026	90	$ 19,150,000	$ 11,225,000	$ 3,000,000	-	-
Marinwood Plaza	Conduit - MIP & Perm	Unincorporated Marin	FN	6/15/2026	125	$ 18,141,000	$ 30,609,000	-	$ 28,766,000	$ 4,000,000
Sierra Vista Apartments	Conduit - MIP & Perm	Roseville	FN	6/18/2026	192	$ 32,640,000	$ 28,963,035	-	$ 31,189,127	$ 4,000,000
Sheridan Apartments	Conduit - MIP & Perm	Menlo Park	FN	6/19/2026	88	$ 16,250,000	$ 11,224,591	-	$ 13,239,400	$ 4,000,000
Francis Avenue Apartments	Conduit - MIP & Perm	Los Angeles	FN, NT	6/23/2026	232	$ 22,400,000	$ 29,573,547	$ 2,739,968	$ 38,900,000	$ 4,000,000
					1,726	**$ 403,911,287**	**$ 259,427,563**	**$ 33,576,845**	**$ 200,568,977**	**$ 25,000,000**

1 FN: Family/Individual, SR: Senior, SN: Special Needs, VT: Veterans, HM: Homeless, NT: Non-Targeted

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

MULTIFAMILY LOAN CONVERSIONS AS OF MARCH 31, 2026

TABLE: Multifamily Loan Conversions (Closed)

	Project Name	Underwriting Type	City	Project Type[1]	Closing Date	Units	Permanent Loan Amount	MIP Loan Amount	Subsidy Loan Amount
1	Vintage at Woodman	Conduit - MIP	Panorama City	SR	7/23/2025	239	-	$ 11,850,000	-
2	Marina Village	Conduit - MIP & Perm	Suisun City	FN	7/29/2025	160	$ 26,125,000	$ 3,175,000	-
3	Vista Woods	Conduit - MIP & Perm	Pinole	SR	7/30/2025	179	$ 37,706,800	$ 6,212,000	-
4	Kelsey Ayer Station	Conduit - MIP & Perm	San Jose	FN	8/13/2025	115	$ 14,550,000	$ 4,600,000	-
5	Anton Mosaic	Conduit - MIP & Perm	Sacramento	FN	8/15/2025	194	$ 23,201,000	$ 9,950,000	-
6	Sarah's Court Apartments	Conduit - MIP & Perm	Fresno	FN	11/25/2025	120	$ 6,364,866	$ 3,450,000	-
7	Alamo Street Apartments	Conduit - MIP & Perm	Simi Valley	FN	12/12/2025	271	$ 61,000,000	$ 7,000,000	-
8	California Grand Manor Apartments	Conduit - MIP & Perm	Atascadero	SR	12/12/2025	76	$ 6,183,589	$ 5,440,234	-
9	Fiddyment Apartments	Conduit - MIP & Perm	Roseville	FN	12/18/2025	330	$ 38,566,525	$ 8,000,000	-
10	Turning Point Commons	Permanent	Chico	FN	3/24/2026	66	-	-	$ 2,440,245
11	8181 Allison	Conduit - MIP & Perm	La Mesa	FN	3/27/2026	147	$ 24,485,000	$ 7,076,000	-
						1,897	**$ 238,182,780**	**$ 66,753,234**	**$ 2,440,245**

TABLE: Multifamily Loan Conversions (Projected Closings)
Q4 - 04/01/2026 - 06/30/2026

Project Name	Underwriting Type	City	Project Type[1]	Closing Date	Units	Permanent Loan Amount	MIP Loan Amount	Subsidy Loan Amount
Breton Apartments	Conduit - MIP & Perm	Bay Point	FN	3/12/2026	134	$ 33,500,000	$ 3,900,000	-
Kawana Springs Apartments	Conduit - MIP	Santa Rosa	FN	3/16/2026	116	$ 13,930,000	$ 5,800,000	-
Shiloh Terrace	Conduit - MIP & Perm	Windsor	FN	3/23/2026	36	$ 12,196,429	$ 2,100,000	-
8181 Allison	Conduit - MIP & Perm	La Mesa	FN	3/24/2026	151	-	$ 7,450,000	-
1612 Apartments	Conduit - MIP & Perm	Modesto	FN	3/27/2026	151	$ 24,950,000	$ 7,025,000	-
Serra Apartments	Conduit - MIP & Perm	Fremont	FN	6/25/2026	179	$ 27,179,522	$ 10,173,471	-
1612 Apartments	Conduit - MIP & Perm	Modesto	FN	6/30/2026	144	$ 9,673,530	$ 3,931,976	-
					911	**$ 121,429,481**	**$ 40,380,447**	**$ 0**

1 FN: Family/Individual, SR: Senior, SN: Special Needs, VT: Veterans, HM: Homeless, NT: Non-Targeted

MEMORANDUM

To: Board of Directors **Date:** June 25, 2026

From: Katherine McFadden, Director of Multifamily Programs
California Housing Finance Agency

Subject: Agenda Item 8B – Asset Management Quarterly Portfolio Report

The CalHFA Asset Management Portfolio includes 788 projects comprised of 846 loans, with a total outstanding balance of $1,824,544,485 as of March 31, 2026. The portfolio supports 22,182 affordable regulated housing units across the State of California.

The portfolio consists of 788 projects, categorized by program and loan type as follows:

1	Section 8 (Contract Administrator)
87	CalHFA Permanent (Risk Share)
119	CalHFA Permanent (Non-Risk Share)
33	Mixed Income Program (MIP)
35	Subsidy Loans
180	Mental Health Services Act
44	Special Needs Housing Program
188	Conduit
39	Section 811 (Contract Administrator)
115	School Facility Fee Reimbursement Program
5	Help Loans
846	**Total**

The portfolio maintains a low delinquency rate of just 0.1%, representing only two projects. The is one project currently in foreclosure and no projects with a Notice of Default.

There is currently one project on the Watch List, due to failing to maintain required affordability compliance documentation.

ASSET MANAGEMENT

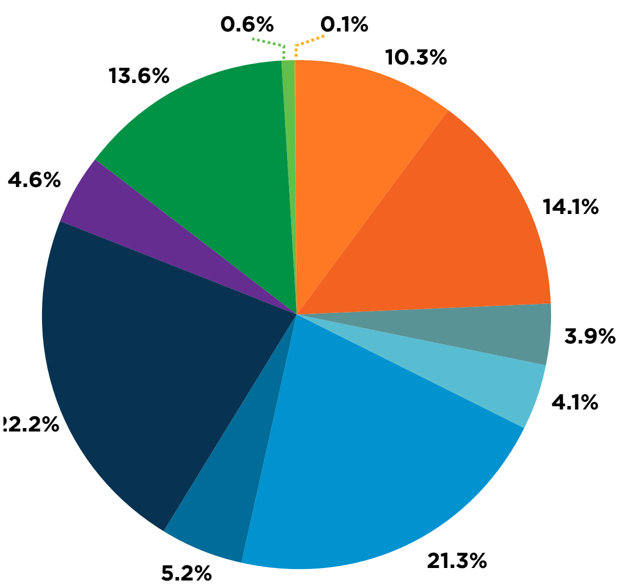
CalHFA
California Housing Finance Agency

Quarterly Portfolio Review ending March 31, 2026

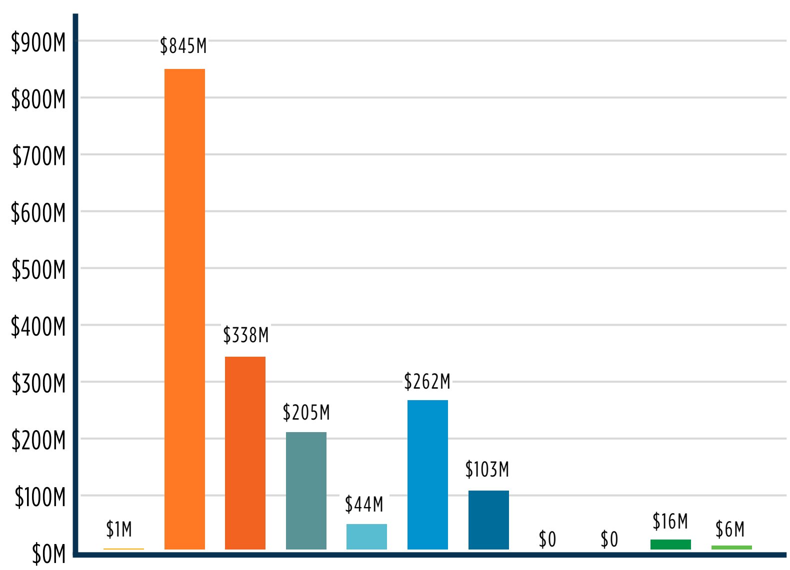
Programs

Type	# of Loans	% of Loans	UPB	% of UPB
Section 8 Program - Contract Administrator	1	0.12%	$ 1,148,291	0.1%
CalHFA Permanent - Risk Share	87	10.28%	$ 845,538,787	46.3%
CalHFA Permanent - Non Risk Share	119	14.07%	$ 338,402,664	18.5%
MIP	33	3.90%	$ 205,875,877	11.3%
Subordinate	35	4.14%	$ 44,190,514	2.4%
Mental Health Services Act	180	21.28%	$ 262,249,633	14.4%
Special Needs Housing Program	44	5.20%	$ 103,597,971	5.7%
Conduit	188	22.22%	$ 0	0.0%
Section 811 - Contract Administrator	39	4.61%	$ 0	0.0%
School Facility Fee Reimbursement Program	115	13.59%	$ 16,985,966	0.9%
Help Loans	5	0.59%	$ 6,554,783	0.4%
TOTAL*	**846**	**100.00%**	**$1,824,544,485**	**100.0%**

Project Type



Unpaid Principal Balance



Please note that Conduit and Section 811 had a 0 value.

- Section 8 Program - Contract Administrator
- CalHFA Permanent - Risk Share
- CalHFA Permanent - Non Risk Share
- MIP
- Subordinate
- Mental Health Services Act
- Special Needs Housing Program
- Conduit
- Section 811 - Contract Administrator
- School Facility Fee Reimbursement Program
- Help Loans

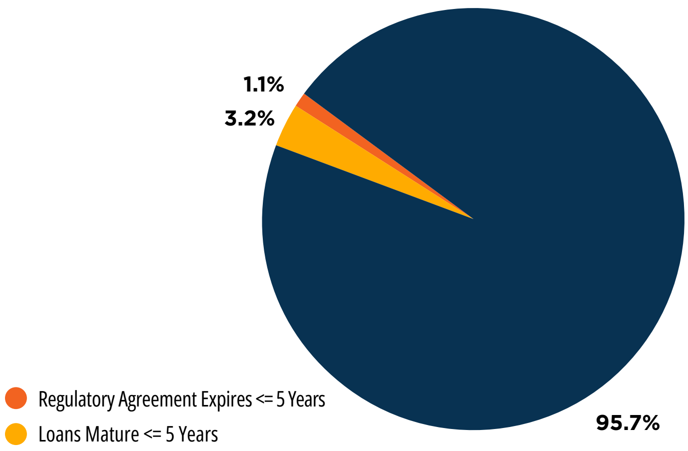
* The unpaid principal balance reflects 555 active projects with outstanding loan balances. The portfolio also includes 233 projects that are maintained solely for compliance with affordability requirements, despite having no remainig loan balances.

Asset Management Quarterly Portfolio Report continued

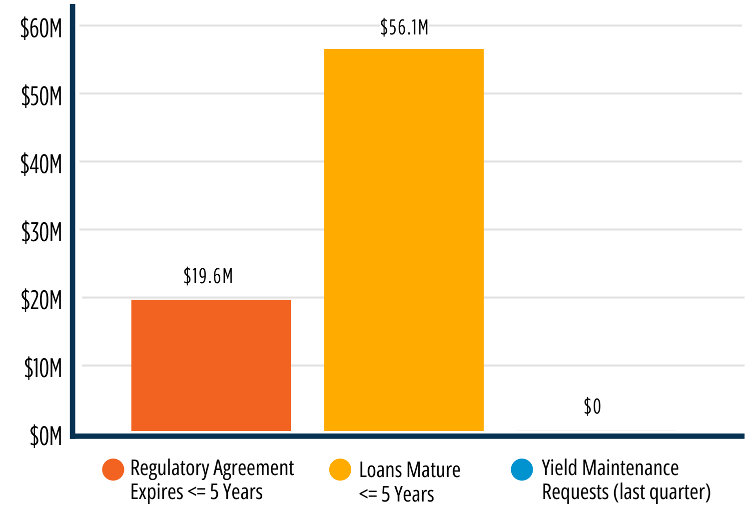
Preservation Risk Indicators

Type	# of Projects	% of Projects	UPB	% of UPB
Regulatory Agreement Expires <= 5 years	35	4.14%	$ 19,678,467	1.1%
Loans Mature <= 5 years	42	4.96%	$ 56,160,414	3.1%
Yield Maintenance Requests (last quarter)	0	0.00%	$ 0	0.0%

Unpaid Principal Balance



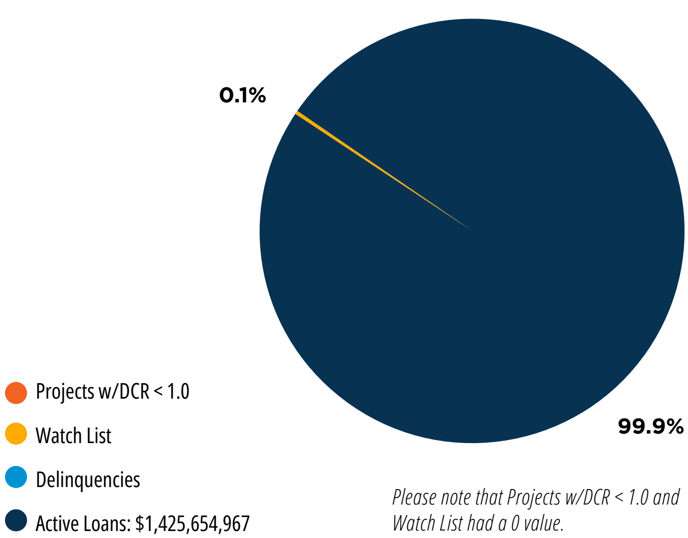
Please note that Yield Maintenance Requests had a 0 value.



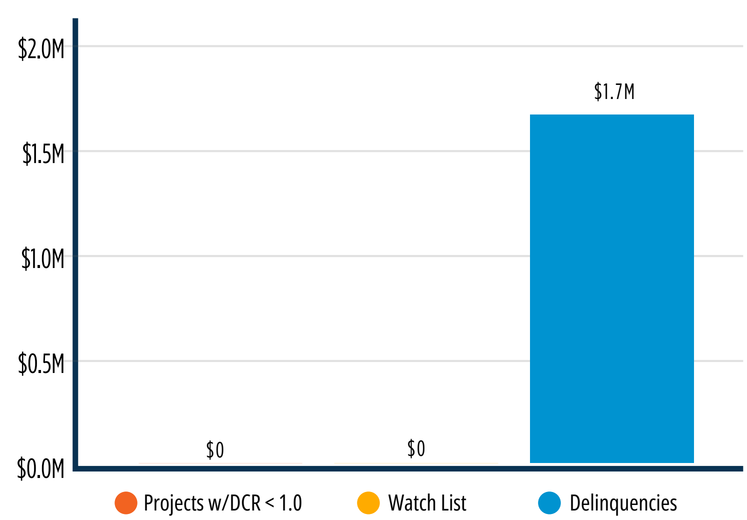
Financial Risk Indicators

Type	# of Projects	% of Projects	UPB	% of UPB
Projects w/ DCR < 1.0	0	0.00%	$ 0	0.0%
Watch List	1	0.12%	$ 0	0.0%
Delinquencies	2	0.24%	$ 1,663,727	0.1%

Unpaid Principal Balance



Please note that Projects w/DCR < 1.0 and Watch List had a 0 value.



Map of CalHFA Multifamily Projects in California