BRINGING PEOPLE HOME FOR 50 YEARS

2024/25

POPULAR ANNUAL FINANCIAL REPORT

OF THE CALIFORNIA HOUSING FINANCE FUND FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND JUNE 30, 2025

CALIFORNIA HOUSING FINANCE AGENCY
A Component Unit of the State of California

Contents

INTRODUCTION

Letter From Our Chief Deputy Director

The California Housing Finance Agency is pleased to present our Popular Annual Financial Report of the California Housing Finance Fund for the Fiscal Year ended June 30, 2025.

This report gives a general overview of CalHFA's financial position. It also shows our continuing commitment to prudent and responsible financial management, in addition to giving context and background about the environment in which we operate. Financial and fiscal information in this document is a distillation of the much more detailed Annual Comprehensive Financial Report and will be of more interest to the general public than to financial analysts.

Single Family Lending production in Fiscal Year 2024-25 showed an uptick from the prior year, as the Dream For All program continued to be very popular in a challenging homebuying environment. Overall, CalHFA helped 6,955 low- and moderate-income families achieve the dream of homeownership with more than $3.14 billion in first mortgage loans. Additionally, the Agency used more than $1.4 billion in lending and bond issuance to create and preserve more than 2,700 affordable rental units for California families.

The Annual Comprehensive Financial Report, which gives a much more detailed look at CalHFA's finances, was written to conform with generally accepted accounting principles, and includes financial statements audited by CliftonLarsonAllen, LLP. Requests for hard copies can be sent to the Sacramento address on the back of this report; the PDF version is available on our website at calhfa.ca.gov.

We finance loans in collaboration with public and private partners, and in accordance with Affirmatively Furthering Fair Housing principles. We are committed to equity and fairness in all our practices, and we think this report reflects those priorities.

Rebecca Franklin

Rebecca Franklin, Chief Deputy Director

About CalHFA

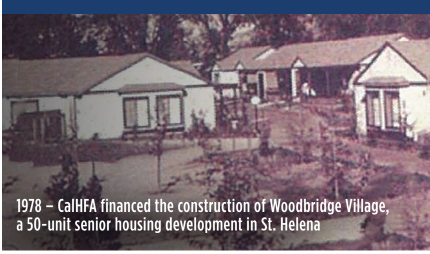
For 50 years, the California Housing Finance Agency has supported the needs of renters and homebuyers by providing financing and programs so more low- to moderate-income Californians have a place to call home.

California chartered CalHFA as the state's affordable housing lender in 1975 and it continues to serve that purpose. The Agency's Multifamily Division finances affordable rental housing through partnerships with jurisdictions, developers and more, while its Single Family Division provides first mortgage loans and down payment assistance to first-time homebuyers. CalHFA's operations are funded by revenues generated through its mortgage loan programs, not taxpayer dollars, although some of its program funding comes from California's General Fund and voter-approved initiatives.

SINCE 1975

233K
homebuyers helped

1977 – CalHFA financed its first home loan to the de la Cruz family



1978 – CalHFA financed the construction of Woodbridge Village, a 50-unit senior housing development in St. Helena

84K
units created or preserved

TO FY 2024-25

Over the course of its existence, CalHFA has helped more than 233,000 Californians purchase their first home with a mortgage they can afford, and helped build or preserve more than 84,000 affordable homes and apartments for veterans, seniors, those with special needs and families in danger of experiencing homelessness.

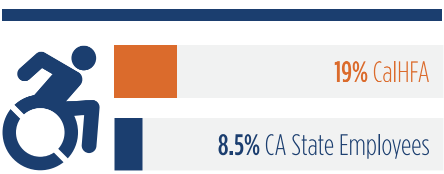
CalHFA's Commitment to Diversity & Inclusion

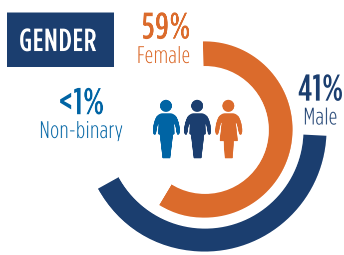
We believe that it is important that our Agency reflect, in some measure, the incredible diversity of the people of California.

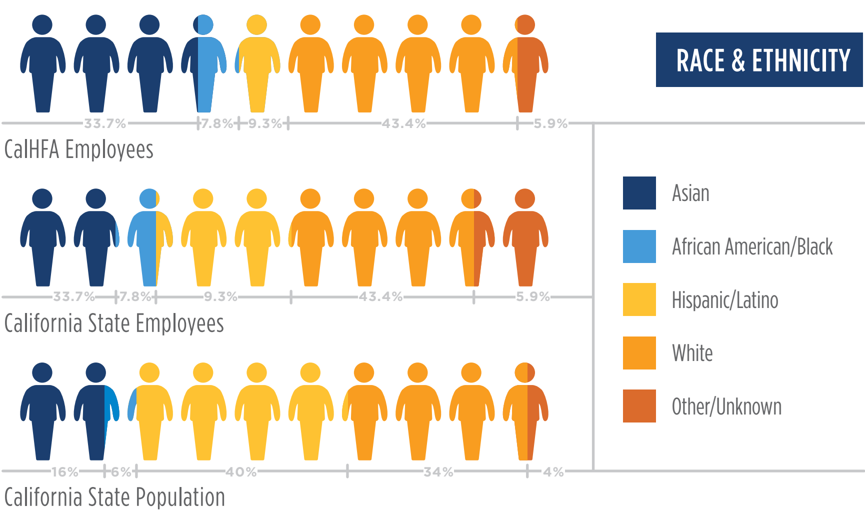
Our commitment to low- and moderate-income housing—both on the homeownership and rental sides—guides us to employ people who share some of the characteristics of the people we serve.

CalHFA had 205 employees as of June 30, 2025, working from offices in Sacramento and Southern California. About 59% of staff identifies as female, a larger proportion than California state employees overall. CalHFA has a greater share of Black and Asian employees than the overall population of California, although the percentage of Latinos working at CalHFA is far behind both the state's makeup and overall state employee percentages. About 19% of CalHFA employees reported having a disability.

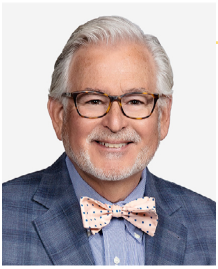
DISABILITY







Members of the Board of Directors as of June 30, 2025



Jim Cervantes

CHAIRPERSON &
GOVERNOR APPOINTEE

Retired, former Managing Director of Public Finance Stifel, Nicolaus & Company

Nick Hardeman

GOVERNOR APPOINTEE

Principal

Hardeman Strategies and Consulting

Preston Prince

GOVERNOR APPOINTEE

Executive Director

Santa Clara County Housing Authority

Maria Cabildo

SPEAKER OF THE
ASSEMBLY APPOINTEE

Chief Executive Officer

The Durfee Foundation

Dalila Sotelo

GOVERNOR APPOINTEE

Senior Development Executive

Integral Group

Frederick White

GOVERNOR APPOINTEE

Director, Affordable Housing Liaison Unit

City of Los Angeles

Stephen Russell

SENATE COMMITTEE ON
RULES APPOINTEE

Executive Director

San Diego Housing Federation

Noerena Limón

GOVERNOR APPOINTEE

Chief Executive Officer

Casita Coalition

Tyrone Roderick Williams

GOVERNOR APPOINTEE

Chief Executive Officer

Fresno Housing Authority

Lindsey Sin

EX OFFICIO MEMBER

Secretary

California Department of Veterans Affairs

Fiona Ma

EX OFFICIO MEMBER

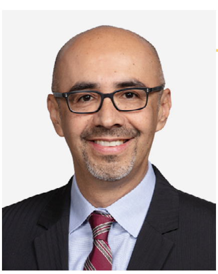
California State Treasurer

Tomiquia Moss

EX OFFICIO MEMBER

Secretary

Business, Consumer Services & Housing Agency



Gustavo Velasquez

EX OFFICIO MEMBER

Director

California Department of Housing and Community Development

Samuel Assefa

EX OFFICIO MEMBER

Director

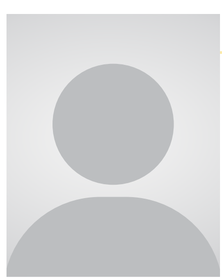
Office of Planning & Research

Joe Stephenshaw

EX OFFICIO MEMBER

Director

California Department of Finance



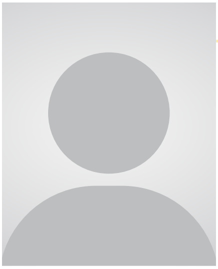
Vacant

EX OFFICIO MEMBER

Executive Director

California Housing Finance Agency

CalHFA Senior Staff as of June 30, 2025



Vacant

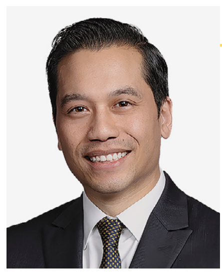
Executive Director

Rebecca Franklin

Chief Deputy Director

Mehgie Tabar

Director of Legislation



Erwin Tam

Director of Financing

Claire Tauriainen

General Counsel

Oksana Glushchenko

Comptroller

Ellen Martin

Director of Homeownership

Stephanie McFadden

Director of Multifamily Programs

Jennifer LeBoeuf

Director of Administration

Kathy Phillips

Director of Marketing & Communications

Ashish Kumar

Chief Information Officer

Kelly Madsen

Director of Enterprise Risk Management & Compliance

Multifamily Highlights

2,779 units*

* Represents all units in CalHFA-financed affordable housing developments

$1.1 billion IN LENDING AND BOND ISSUANCE

Area Median Income (AMI)

10%	80 AMI or above
19%	70 AMI
31%	60 AMI
15%	50 AMI
2%	40 AMI
23%	30 AMI or below

Single Family Highlights

6,955
homebuyers helped

$3.1 billion
IN FIRST MORTGAGE LENDING

$278 million
IN DOWN PAYMENT & CLOSING COST ASSISTANCE

LOAN TYPE

FHA	Conventional	VA	USDA
46%	53%	0.4%	0.2%

COMBINED BORROWER INCOME

Less than $70K	6%
$70,001 - 100K	25%
$100,001 - 130K	30%
$130,001 - 160K	23%
$160,001 - 190K	10%
$190,001 & over	6%

SALES PRICE

Less than $300K	9%
$300,001 - 400K	24%
$400,001 - 500K	26%
$500,001 - 600K	17%
$600,001 - 700K	11%
$700,001 & over	13%

HOUSEHOLD SIZE

1-2	3-4	5-6	6+
65%	27%	8%	1%

RACE & ETHNICITY

Asian	African American/Black	Hispanic/Latino	White	Other
11%	5%	47%	28%	9%

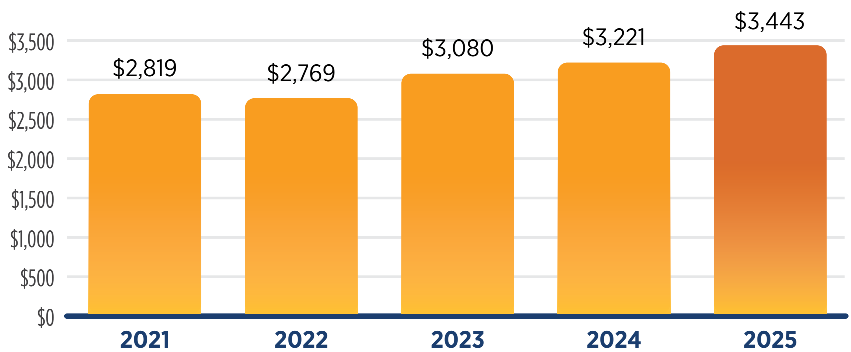
FINANCIAL HIGHLIGHTS

Statement of Net Position

The Statement of Net Position provides a snapshot of the fiscal condition of the Fund at a certain point in time. Changes over time show whether the Fund's fiscal condition is improving, stable, or deteriorating. There are also other factors that impact operational results such as changes in the interest rate environment, bond market, state and federal laws governing the Fund's programs, the tax code, and the real estate market in the state. Almost all of the Fund's resources, at 99.9%, are restricted by bond agreements, laws, or investments in assets. Some amounts are recorded as deferred outflows or inflows, reflecting resources spent or received that will apply to future reporting periods.

The Fund's financial strength and stability are supported by a variety of outstanding Single Family and Multifamily loan products and conservative management principles. As of June 30, 2025, the overall financial condition of the Housing Finance Fund remained stable as the assets and deferred outflows of resources of the Fund exceeded liabilities and deferred inflows of resources at the close of the fiscal year. The total net position of the Fund for FY 2024-25 increased to **$3.44 billion** after an increase of $222 million from the prior fiscal year.

TOTAL NET POSITION Dollars in millions



CONDENSED STATEMENT OF NET POSITION

Dollar in millions

	2021	2022	2023	2024	2025
Assets	$ 3,955	$ 3,973	$ 4,278	$ 4,559	$ 4,980
Deferred Outflows of Resources	$ 15	$ 15	$ 22	$ 22	$ 20
Liabilities	$ 1,132	$ 1,177	$ 1,174	$ 1,295	$ 1,511
Deferred Inflows of Resources	$ 19	$ 42	$ 46	$ 65	$ 46
TOTAL NET POSITION	**$ 2,819**	**$ 2,769**	**$ 3,080**	**$ 3,221**	**$ 3,443**

Assets & Liabilities

The Agency's assets primarily consist of cash, investments, interest receivable, accounts receivable, and program loans receivable. The liabilities are made of bonds, notes and loans payable, interest payable, and compensated absences which represent the amount of accrued vacation or annual leave balances for Agency's employees.

ASSETS

As of June 30, 2025, the Agency's total assets increased by $421 million from the prior fiscal year to **$4.98 billion**. The increase in assets was primarily due to:

- $185 million increase in program loans receivable
- $110 million increase in cash and cash equivalents
- $110 million increase in investment in the State's Surplus Money Investment Fund (SMIF)
- $54 million increase in investments in securities
- $5 million increase in interest receivable

These gains were partly offset by an approximately $41 million decrease in cash collateral, capital assets, and the fair value of derivative swap assets.

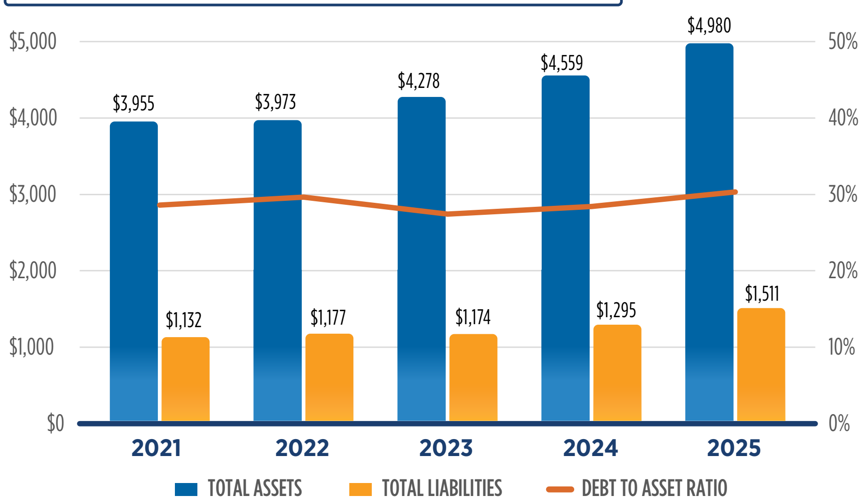
As of June 30, 2025, 95% of the Fund's assets are in cash, investments, and program loans receivable. Cash and investments totaled $2.42 billion, an increase of $273 million from the prior fiscal year. Approximately $1.66 billion are held in the SMIF, earning variable interest, and grew by $110 million due to loan repayments and transfers from the Down Payment Assistance account. Capital assets represented 0.6% of the net position and decreased by $2 million from the prior fiscal year to $19 million.

LIABILITIES

As of June 30, 2025, the Agency's total liabilities increased by $217 million from the prior fiscal year to **$1.51 billion**. Of the Fund's liabilities:

- **Bonds indebtedness** make up 30% of total liabilities. Net bonds payable increased by $335 million, primarily due to issuance of new bonds, increase in unamortized bond premiums, and unamortized forward interest rate hedging gains from terminations at bond issuance recognized as bond premiums. These increases were partly offset by scheduled principal maturities and redemptions.
- **Notes indebtedness** represent 19% of total liabilities. Net notes payable decreased due to repayments to the Federal Financing Bank.
- **Loan indebtedness** represent 8% of total liabilities. Short-term loans payable to the Federal Home Loan Bank of San Francisco decreased also due to repayments. The credit facility loan to Braeburn, LLC also decreased following its termination, partially offset by a $68 million increase from a new loan with the Royal Bank of Canada.
- **Other liabilities** decreased by $23 million, primarily due to a reduction in unearned revenue as grant revenues were recognized, and a decline in pension liability. These decreases were partly offset by increases in other liabilities, including impound deposits, accounts payable, bond interest payable, OPEB obligations, and compensated absences related to GASB Statement No. 101.

TOTAL ASSETS, TOTAL LIABILITIES AND DEBT TO ASSET RATIO Dollars in millions



Long Term Debt

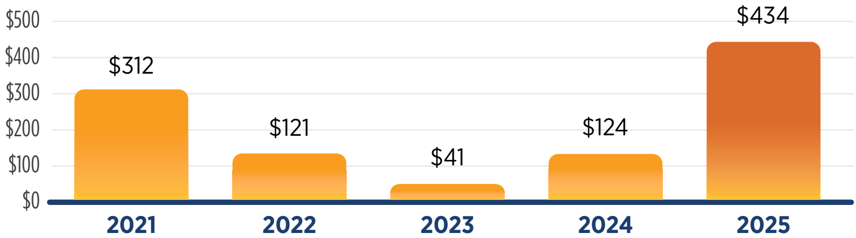
The Agency's enabling statutes empower the Agency, on behalf of the Fund, to issue both federally taxable and tax-exempt bonds and notes.

Bonds and notes issued by the Agency are not debts of the State but are special and general obligations of the Agency payable solely from and collateralized by the revenues and other assets pledged under the respective indentures. The Agency has the authority to have outstanding bonds or notes, at any one time, in the aggregate principal amount of $13.15 billion excluding refunding issues and certain taxable securities.

BONDS PAYABLE

As of June 30, 2025, tax-exempt bonds rose to $384 million from new issuances and comprised 88% of bonds outstanding, while taxable bonds totaled $50 million. Net bonds payable increased by $310 million from the prior fiscal year to **$434 million**.

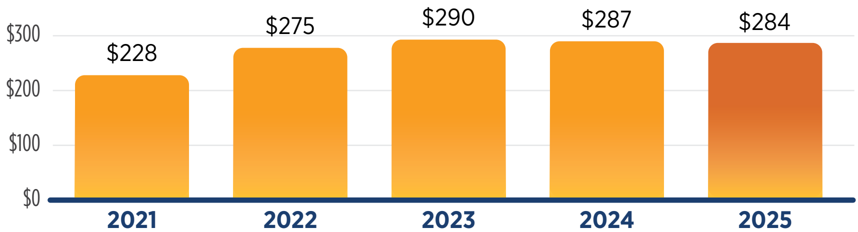
BONDS PAYABLE Dollars in millions



NOTES PAYABLE

As of June 30, 2025, notes payable decreased by $3 million from the prior fiscal year to **$284 million** due to principal repayments to notes payable to the Federal Financing Bank under the Federal Housing Administration's HFA Risk-Sharing Program.

NOTES PAYABLE Dollars in millions



Operating Revenues & Expenses

The Fund's operating revenues and expenses are activities classified as core business activities of the Fund.

The Fund's primary operating revenue is derived from the TBA Market Rate Program fee revenue and gain on sale of the TBA Market Rate securities, investment of bond proceeds in the loan programs and investment in securities. The Fund's primary expense is interest expense on bonds outstanding, salaries and general expenses. While the TBA program generates revenue, the associated expense also occurs. Net interest income is an important measure of performance for the Fund.

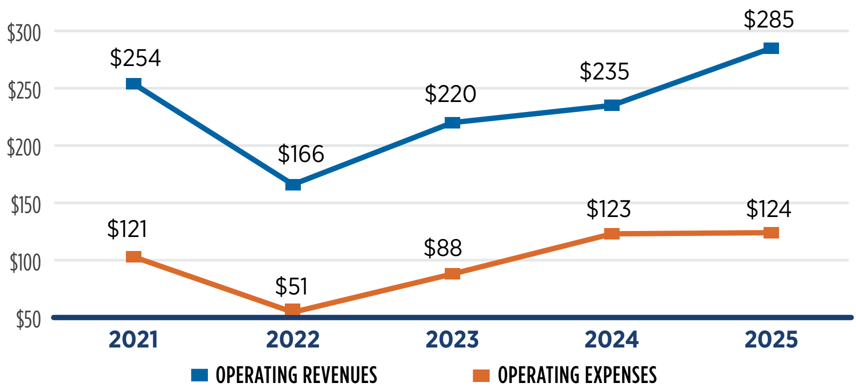
As of June 30, 2025, the **total operating revenues of the Fund were $285 million** compared to $235 million from the prior fiscal year, an increase of $50 million. The increase is primarily due to:

- **Investment interest income** increased by $13 million in FY 2024-25 due to a $9 million increase from mortgage-backed securities and a $2 million increase from the SMIF, both attributed to higher fiscal year-end interest rates compared to the previous fiscal year. Additionally, there was a $2 million increase in interest income from program loans and loan agreements, resulting from the purchase of new loans.
- **Realized and unrealized gains on the sale of securities** increased by $20 million primarily due to an $8 million increase in realized gains from securitization related to the TBA Market Rate Program and a $12 million increase in the change in fair value of investments.
- **Administrative revenue** increased by $7 million, primarily driven by higher loan purchase activity in contract administration programs including Dream For All.
- **Acquisition fee revenue** increased by $12 million compared to the prior year, mainly due to a higher volume of the securitization in the Single Family TBA Market Rate Program.
- The increases were partially offset by a $1 million decrease in gain on the sale of loans.

As of June 30, 2025, the **total operating expenses of the Fund were $124 million** compared to $123 million for the prior fiscal year, an increase of $1 million. The increase is primarily due to the following:

- **Interest expenses** increased by $3 million, primarily due to a $4 million rise in bond interest expenses resulting from $314 million in new bond issuances. The rise was partially offset by decreases in other expenses.
- **Salaries and general expenses** decreased by $3 million, mainly due to a $6 million decrease in OPEB expense, and a $1 million decrease in general operating expenses, offset by a $4 million increase in staff salaries and benefits.

OPERATING REVENUES & EXPENSES Dollars in millions



Non-Operating Revenues & Expenses

The Fund's non-operating revenues and expenses included in this section are activities not classified as core business activities of the Fund.

As of June 30, 2025, the **net non-operating revenues and expenses were $22 million**. This increase of $20 million from the prior fiscal year is mainly due to recognition of $19 million in revenue due to a strategic shift within the Low & Moderate Income Program, whereby funds originally designated for grant disbursement related to the ADU program are now being allocated to support programmatic lending activities, such as repayable down payment assistance. In addition, prepayment penalty income increased by $1 million, reflecting higher early loan payoff activity during the fiscal year.

Economic Condition & Outlook

The Agency's housing programs are the primary source of income for the Fund. Macroeconomic factors, such as economic growth, employment rates, and inflation rates impact the Agency through changes in the supply and demand for housing in California, the volume of mortgage lending (including refinancing), and the Agency's cost of capital. In addition, the Agency can be affected by various regulatory and statutory changes, impacting results from its Single Family and Multifamily production divisions and the Agency's overall operations.

During the fiscal year ended June 30, 2025, Single Family revenues generated from participation in the TBA Market Rate Program accounted for approximately 26.7% of the Agency's total operating revenue.

The volume of Single Family first mortgages purchases through the TBA Market Rate Program reached over $3.1 billion. The Agency also provided $278 million in subordinate lending for down payment assistance and closing costs.

The single family delinquency rate as of June 30, 2025 was approximately 6.2% and 90+ days delinquency rate is approximately 2%. The Federal Reserve decreased the Fed Fund rate from 5.5% at the start of the fiscal year to 4.5% by June 30, 2025. Continuing high interest rates mean continuing low pre-payment of existing single family mortgages.

Multifamily program revenues are mainly composed of interest received from the Agency's permanent loans. The Agency makes a financial commitment to refinance construction loans up to 42 months prior to the refinancing. Only after this refinancing does the Agency realize interest revenue from this financial commitment. As such, annual commitments will not materially impact the Agency's immediate financial condition. As of June 30, 2025, the Agency had $1.39 billion in outstanding commitments to fund first lien monthly paying Multifamily Program loans.

Credit Ratings

The Agency has primarily three credit ratings that impact its financial results:

	S&P's	Moody's
CalHFA's Issuer Credit Rating	AA Stable outlook	Aa2 Stable outlook
Affordable Housing Revenue Bonds	AA Stable outlook	Aa2 Stable outlook
Homeownership Revenue Bonds	AA+ Stable outlook	Aa1 Stable outlook

During FY 2024–25, CalHFA maintained its strong credit position, maintaining an issuer credit rating of "AA" with a stable outlook from Standard & Poor's (S&P) and "Aa2" with a stable outlook from Moody's. The Agency also continued to maintain "AA" (stable outlook) and "Aa2" (stable outlook) ratings on its Affordable Housing Revenue Bonds.

CalHFA's new FY 2024–25 Homeownership Revenue Bonds received strong ratings, earning "AA+" with a stable outlook from S&P and "Aa1" with a stable outlook from Moody's.

Authorized Indebtedness

The Fund's total amount of outstanding indebtedness cannot exceed $13.15 billion at any time. The Agency's board of directors approves an annual new debt lending limit for the Fund. As of June 30, 2025, the Fund program limit for 501(c)(3) and taxable bond issuance is set at $500 million for multifamily housing purposes, and $2 billion for single family housing purposes. The Fund program limit for new money private activity bond issuance is subject to the Agency's authorization to apply for up to $2.5 billion in private activity volume cap for multifamily and single family bond issuance. The Fund is authorized to have up to $1 billion in credit facilities for multifamily housing purposes and $1 billion for single family housing purposes.

California Housing Finance Agency
500 Capitol Mall, Suite 1400, Sacramento CA 95814