

Public Meeting Agenda

California Housing Finance Agency Executive Evaluation Committee

Thursday, June 20, 2024

9:00 a.m.

California Department of Food and Agriculture  
1220 N Street, Auditorium  
Sacramento, CA 95814

This meeting is also available to view on livestream. Please note, public comments cannot be made when viewing livestream.

<https://www.youtube.com/watch?v=fWBGVZhxWzk>

- 1. Roll Call
- 2. Approval of the meeting minutes of the November 30, 2023, meeting ..... 1
- 3. Chairperson comments
- 4. Discussion and recommendation to adopt a salary range adjustment for key exempt management staff ..... 3
- 5. Discussion and recommendation to adjust the salary of the Executive Director based on the completed 2022/23 performance evaluation .....10
- 6. Other Committee matters
- 7. Public comment: Opportunity for members of the public to address the Committee on matters within the Committee’s authority
- 8. Adjournment

NOTES\*\*

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

## MINUTES

### California Housing Finance Agency (CalHFA) Executive Evaluation Committee Meeting November 30, 2023

Meeting noticed on November 17, 2023

#### 1. Roll Call

The California Housing Finance Agency Executive Evaluation Committee meeting was called to order at 10:04 a.m. by Chair Cervantes. A quorum of members was present.

MEMBERS PRESENT: Grant (for Egawa), Cervantes, Russell

MEMBERS ARRIVING  
AFTER ROLL CALL: None

MEMBERS ABSENT: None

STAFF PRESENT: Tiena Johnson Hall, Chris Shultz, Claire Tauriainen, Melissa Flores

#### 2. Approval of minutes – October 26, 2022

On a motion by Grant, the minutes were approved by unanimous consent of members present.

#### 3. Chairperson comments

Chair Cervantes opened by welcoming everyone to the meeting. He then opened the floor for Executive Director Johnson Hall to say a few words to the Committee about the Agency's accomplishments and challenges over the past year.

#### 4. Closed session pursuant to Government Code section 11126(a)(1) to evaluate the performance of a public employee

Closed session convened at 10:31 a.m. Upon conclusion of the closed session, the Committee members returned to the open meeting at 2:22 p.m.

#### 5. Report from closed session

Chair Cervantes reported that the Committee would report their evaluation findings to the full Board at the next scheduled Board meeting. No action was taken during closed session.

#### 6. Annual review of the Committee Charter

*Presented by Chair Cervantes*

After a brief discussion, the Committee determined the Executive Evaluation Committee Charter should remain unchanged.

**7. Other Committee matters**

Chair Cervantes asked if there were other Committee matters to discuss and there were none.

**8. Public Comment**

Chair Cervantes asked if there were any members of the public who would like to make a comment and there were none.

**9. Adjournment**

As there was no further business to be conducted, Chair Cervantes adjourned the meeting at 2:23 p.m.



## MEMORANDUM

**To:** Executive Evaluation Committee                      **Date:** June 20, 2024

**From:** Jennifer LeBoeuf, Director of Administration  
Chris Shutz, Chief Deputy Director  
California Housing Finance Agency

**Subject:** Agenda Item 4 – Discussion and recommendation to adopt a salary range adjustment for key exempt management staff

### Background

The role of the Executive Evaluation Committee (EEC) includes a periodic review of the structure and level of compensation of key exempt management staff. There has not been such a review since the current salary schedule was adopted in 2017.

Unlike all civil servants and nearly all exempt management staff at other state departments, CalHFA's exempt management staff do not receive general salary increases (GSIs) via CalHR, and the salary ranges for these positions adjust only when the salary ranges are adjusted by the Board of Directors.

Since the 2017 adoption of the current salary schedule (Attachment A), the cost of goods and services as reflected in the consumer price index and market salaries have both increased. During this same timeframe, CalHR has caused state employees' salary ranges to be increased by the following GSIs totaling 27.27% (compounded):

7/1/2018	4.00%
7/1/2019	3.50%
7/1/2021	4.55%
7/1/2022	2.50%
7/1/2023	3.00%
7/1/2024	3.00%
7/1/2025	3.00-4.00%

Recent research unveiled existing CalHFA Board Resolution 17-01 (Attachment A), adopted January 17, 2017, which provides that “Effective January 1, 2017, the key

exempt management staff salaries and salary schedule shall be adjusted in concert with future state approved GSI increase(s) granted to other state exempt employees."

To address multiple requests the Board has made around this issue, and with sensitivity to the state's budget challenges, CalHFA staff is presenting the information below for consideration.

CalHFA's financial position can support any of the following alternatives with no material effect on the Agency's budget as CalHFA has already budgeted for GSIs for all employees.

### **Potential Board Action**

CalHFA staff respectfully requests the Executive Evaluation Committee consider recommending to the full Board of Directors Board Resolution No. 24-17 to adjust key exempt management staff salary ranges consistent with most recent GSI for all state employees.

This alternative foregoes the GSI range/salary increases all state employees received in 2018, 2019, 2021, and 2022, and adjusts the 2017 salary ranges one time consistent with the 2023, 2024 and 2025 GSIs approved for all state employees:

- 3% on 7/1/23
- 3% on 7/1/24
- 3-4% on 7/1/25 (depending on the state's fiscal condition)

The effect of this resolution would be to adjust each exempt salary range by approximately 10%, creating room in each salary band by the Board (for the Executive Director) and the Executive Director (for subordinate executive management staff) to utilize at their discretion through 2025 to mirror the GSI provided to all state employees.

Other Alternatives include:

- Adjust the salary ranges in line with the GSI since 2018 pursuant to Board resolution 17-01.
- Adjust the salary ranges in line with a salary survey conducted pursuant to statute which compares CalHFA salaries to housing finance agencies and community development financial institutions.

### Attachments

Attachment A: Board Resolution 17-01

Attachment B: Relevant Statutes

## RESOLUTION 17-01

## RESOLUTION ADJUSTING SALARY FOR KEY EXEMPT STAFF

WHEREAS, on January 1, 2007, amendments to Health & Safety Code section 50909 became effective, directing the Board of Directors of the California Housing Finance Agency (the "Board of Directors") to establish salaries for key exempt management; and

WHEREAS, on January 18, 2007, the Board adopted Resolution 07-06, establishing salary ranges for key exempt management positions as an aid in setting specific salaries; and

WHEREAS, on March 8, 2007, the Board adopted Resolution 07-10, setting the salary ranges for key exempt management positions, and

WHEREAS, no general salary increase or adjustments in those salary ranges has been contemplated by board since their implementation in 2007; and

WHEREAS, CalHFA key exempt management staff have not been included in any of the general salary increases (GSI) provided to other State exempt employees since 2007.

WHEREAS, the California Department of Human Resources (CalHR) notified state agencies that beginning in fiscal year 2017-18 employees will be required to equally share in the cost of Other Post-Employment Benefits (OPEB); and

WHEREAS, to offset increased out of pocket expenses attributable to key exempt management staff due to increased employee contributions to healthcare and post retirement contributions; and

WHEREAS, the Executive Evaluation Committee met on December 14, 2016 to consider recommending a general salary increase for key exempt management; and

WHEREAS, the Board of Directors has considered the recommendations of the Executive Evaluation Committee to, effective January 1, 2017, increase the salary range of key exempt management by three percent, provide each key exempt a three percent increase to their current salary and further adjust the key exempt salary schedule in concert with future state approved GSI increases granted to other state exempt employees.

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

1. The Board of Directors adopts the recommendations of the Executive Evaluation Committee to adjust the salary ranges for key exempt management and further resolves as follows:
  - a. Repeal resolution 07-10 setting the salary schedule and caps for key

exempt staff and instead adjusts and creates revised salary ranges for those positions to reflect a three percent general salary increase effective January 1, 2017 consistent with **Attachment A** hereto.

b. Each member of the key exempt management staff shall, effective January 1, 2017 receive a three percent GSI increase to their current salary.

c. Effective January 1, 2017 the key exempt management staff salaries and salary schedule shall be adjusted in concert with future state approved GSI increase(s) granted to other state exempt employees.

d. Authorize the amendment of the CalHFA budget, if required, to facilitate the approved changes.

SECRETARY'S CERTIFICATE

I, Thomas O. Freeburger, the undersigned, Acting Secretary of the Board of Directors of the California Housing Finance Agency, hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 17-01 duly adopted at the meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 17th day of January, 2017, of which meeting all said directors had due notice; and that at said meeting said Resolution was adopted by the following vote:

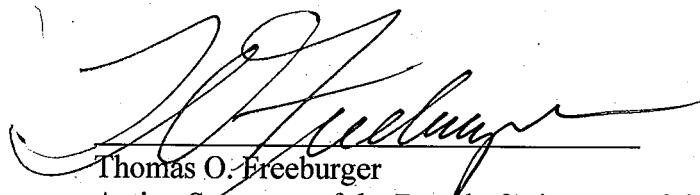
AYES: AVILA FARIAS, SCHAEFER (for Chiang), GALLAGHER, GUNN (for Imbasciani), GUNNING, HUNTER, METCALF, WILLIAMS (for Podesta), SOTELO, RUSSELL, FALK

NOES: NONE

ABSTENTIONS: NONE

ABSENT: JOHNSON-HALL, PRINCE

IN WITNESS WHEREOF, I have executed this certificate hereto this 17th day of January 2017.



Thomas O. Freeburger  
Acting Secretary of the Board of Directors of the  
California Housing Finance Agency



**Attachment A to Board Resolution 17-01**

CalHFA Class Title	New Salary Range @ 3% GSI Monthly		Position Status
	Min.	Max.	
Director of Enterprise Risk Management	TBD	TBD	Vacant
Executive Director	\$12,875	\$18,025	
Director of Multifamily Programs	\$12,017	\$18,025	Vacant
Director of Financing	\$11,870	\$16,308	
Chief Deputy Director	\$11,868	\$16,308	Vacant
Director of Homeownership	\$10,643	\$16,308	
General Counsel	\$11,158	\$14,592	Vacant
Director of Legislation and Mortgage Assistance	\$11,802	\$14,592	Vacant
Chief Information Officer	\$8,583	\$11,802	
Financing Risk Manager	\$8,583	\$11,802	Vacant
Assistant Deputy Director of Homeless Policy	\$7,844	\$8,739	Vacant

## **ATTACHMENT B: Relevant Statutes**

H&S Code § 50908 provides: “The Governor shall, subject to confirmation by the Senate, appoint an executive director of the agency, who shall, subject solely to supervision by the board, administer and direct the day-to-day operations of the agency. The term of office of the executive director is five years. Except as provided in this part, the board shall from time to time determine the total number of authorized employees within the agency and shall determine the salaries of those employees of the agency whose salaries are not paid from moneys appropriated to the agency from the General Fund.”

H&S § 50909(a) states: “Notwithstanding Sections 19816 and 19825 of the Government Code, the compensation of key exempt management, including the executive director, the chief deputy director, the general counsel, the director of financing, the director of homeownership programs, the director of multifamily programs, the director of enterprise risk management and compliance, and the risk manager, shall be established by the board in the agency’s annual budget, in amounts which are reasonably necessary, in the discretion of the board, to attract and hold a person of superior qualifications.”

H&S § 50909 also directs specifically how the salary survey should be conducted:

“(b) (1) To determine the compensation for the positions described in this section, the board shall cause to be conducted, through the use of independent outside advisors, salary surveys of both of the following:

(A) Other state and local housing finance agencies that are most comparable to CalHFA.

(B) Other relevant labor pools.

(2) The salaries so set by the board shall not exceed the highest comparable salary for a position of that type, as determined by the survey.

(c) The Department of Human Resources shall review the methodology used in these salary surveys.



## MEMORANDUM

**To:** Executive Evaluation Committee **Date:** June 20, 2024

**From:** Jennifer LeBoeuf, Director of Administration  
Chris Shultz, Chief Deputy Director  
California Housing Finance Agency

**Subject:** Agenda Item 5 – Discussion and recommendation to adjust the salary of the Executive Director

### Background

The Board completed its evaluation of the performance of the Executive Director for fiscal year 2022-23 on December 14, 2023. At the time the performance appraisal was issued, the Board did not make a salary adjustment because CalHFA's salary ranges were under review. The Board indicated that a salary adjustment may be considered at a later date.

### Potential Board Action

CalHFA staff respectfully requests the Executive Evaluation Committee consider recommending to the full Board of Directors approval of Board Resolution No. 24-18 which would adjust the salary of the Executive Director, informed by the Board's 2022-23 performance evaluation, retroactive to July 1, 2023, and in line with the general salary adjustment provided to all state employees on July 1, 2023.