



# Strategic Plan Update

Fiscal Years 2024-25  
Q2 Update

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## FY 2024–25 Strategic Plan Strategic Measures - Goal 1



### Lending Impact

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

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



### Lending Impact

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

<b>Measure</b>	<b>Increase Multifamily dollar lending, unit production, and conduit issuer volume by 5% by 2026.</b>
<b>Desired Outcome</b>	4,809 or more units in FY 2024-25.
<b>Challenges</b>	<p>Multifamily is currently projected to exceed 5,400 units for the fiscal year. However, four out of thirteen Mixed-Income Program projects in our pipeline (representing up to 681 units) are experiencing external challenges that may result in closing delays which could impact CalHFA's unit count for the fiscal year. These challenges include city approval delays and finalizing partnership agreements with a Low-Income Housing Tax credit investor.</p> <p>If all four projects are delayed beyond FY 2024-25, the projected unit count would fall below the desired outcome of 4,809 units.</p>

Mitigation Activity	Owner(s)	Completion Date
The Multifamily Lending team will meet with the borrowers to determine feasibility of closing timelines.	Stephanie McFadden	Ongoing
The Weekly Multifamily Tracker will be kept up to date to communicate any closing date delays.	Stephanie McFadden	Ongoing



### Financial Sustainability

Leverage opportunities and create innovative products that ensure CalHFA's financial sustainability and continued ability to serve the affordable housing market.

STRATEGIC MEASURES	TOLERANCES	Q1	Q2	Q3	Q4
Maintain risk-adjusted rate of return on restricted assets.	<ul style="list-style-type: none"> <li>■ <math>\geq 5.3\%</math></li> <li>■ <math>4.5\% - 5.2\%</math></li> <li>■ <math>\leq 4.4\%</math></li> </ul>				
Identify and implement new revenue generating strategies.	<ul style="list-style-type: none"> <li>■ Yes</li> <li>■ No</li> <li>■ None Planned</li> </ul>				
Grow the Agency's balance sheet, increasing total assets by 5% by 2026.	<ul style="list-style-type: none"> <li>■ <math>\geq \\$2.75B</math></li> <li>■ <math>\\$2.70B - \\$2.74B</math></li> <li>■ <math>\leq \\$2.69B</math></li> </ul>				
Maintain financial liquidity with a minimum of 20% of net assets as short-term investments	<ul style="list-style-type: none"> <li>■ Yes</li> <li>■ No</li> </ul>				



### Trusted Advisor

Affirm CalHFA as a trusted housing finance advisor that understands the needs of California's diverse communities.

STRATEGIC MEASURES	TOLERANCES	Q1	Q2	Q3	Q4
Increase public presence and publications 10% by 2026.	<ul style="list-style-type: none"> <li>■ ≥ 67 appearances</li> <li>■ 58 – 66 appearances</li> <li>■ ≤ 57 appearances</li> </ul>				
Partner, fund, and/or participate in housing finance data analytics reports.	<ul style="list-style-type: none"> <li>■ Yes</li> <li>■ No</li> <li>■ None Planned</li> </ul>				
Receive industry recognition and/or awards for CalHFA specific programs.	<ul style="list-style-type: none"> <li>■ 2 awards</li> <li>■ 1 award</li> <li>■ 0 award</li> </ul>				



### Operational Excellence

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

STRATEGIC MEASURES	TOLERANCES	Q1	Q2	Q3	Q4
Implement informed decision-making tools and processes.	<ul style="list-style-type: none"> <li>■ Training in place and tools being used</li> <li>■ Tools being used for &lt;25% of processes</li> <li>■ No training in place</li> </ul>				
Increase Great Place to Work certification score 5% by 2026.	<ul style="list-style-type: none"> <li>■ ≥ 71%</li> <li>■ 70%</li> <li>■ ≤ 69%</li> </ul>				
Fill 80% of all key positions.	<ul style="list-style-type: none"> <li>■ ≥ 80%</li> <li>■ 75% – 79%</li> <li>■ ≤ 74%</li> </ul>				

Overall Objectives Performance Status

12 Strategic Objectives



**83%**

10 - On-Target



**8%**

1 – At-Risk



**8%**

1 – Off-Target



### Lending Impact

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

<b>Objective</b>	<b>Expand and diversify Single Family program opportunities.</b>
<b>Initiative</b>	Evaluate opportunities to increase first mortgage lending by completing studies to identify the total addressable market and competitiveness of CalHFA’s program terms compared to competitors in each market segment.
<b>Desired Outcome</b>	Completed study identifying key characteristics of the First Time Homebuyer Market in California.
<b>Challenges</b>	Completion of the study is not in jeopardy or at risk, however, it is currently projected to be completed by July 15, 2025, which is just beyond our June 30, 2025 deadline.

Mitigation Activity	Owner(s)	Completion Date
Meeting with Turner Center, author of the report, to discuss progress to date and any potential to complete the report by 6/30/25.	Ellen Martin, Kelly Madsen	03/07/2025





## FY 2023-24 Goal 4 - Exception Report



### Operational Excellence

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

<b>Objective</b>	<b>Innovate and streamline business processes to increase operational efficiency and service delivery.</b>
<b>Initiative</b>	Develop a mortgage professionals' partner enews list to improve communications on updates for processing CalHFA loans.
<b>Desired Outcome</b>	Creation of mortgage professionals' partner enews list.
<b>Challenges</b>	As part of the planning process for this initiative, we engaged our lender stakeholders for feedback on the proposed mortgage professional enews list. Our current system of communication utilizes listservs that deliver communications to anyone who signs up to receive them. The proposed enews list would deliver targeted communications limited only to lenders. This would require additional credentialing steps to verify their status as a lender in order to receive the communications. Feedback from lenders indicated this change would not be perceived as an upgrade to the current system, and may in fact discourage participation and result in fewer lenders receiving the information as compared with the current system.

Mitigation Activity	Owner(s)	Completion Date
Based on the input from key beneficiaries, this initiative is unwelcome and would not create the desired outcomes as originally thought.  The recommendation is to cancel/rescind this initiative and take no further actions at this time.	Kathy Phillips, Ellen Martin	12/2024

### Highlights



Stephanie McFadden joined CalHFA in November as the Director of Multifamily Programs.



CalHFA's FY 2022-23 Comprehensive Annual Financial Report received the Government Finance Officer Association certificate for excellence in financial reporting. This is the seventh consecutive year that CalHFA's annual report has been honored by GFOA.



CalHFA sold \$107 million of affordable multifamily revenue bonds which were designated as Sustainability Bonds because they are aligned with the UN Development Goals for Green and Social Bond expenditures.

The offering is through CalHFA's Affordable Multifamily Bond Indenture and the proceeds of these sales will fund a portion of CalHFA's perm loan commitments, which have helped create and preserve hundreds of affordable housing units.

## Single Family Production Update



Assisted  
**4,117**  
homebuyers



**\$32.5M**  
Revenue  
generated



**\$2.0B**  
Lending  
volume  
activity

## Multifamily Production Update



Assisted  
**970**  
affordable  
housing units

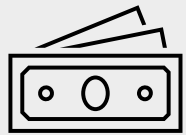


**\$2.1M**  
Revenue  
generated



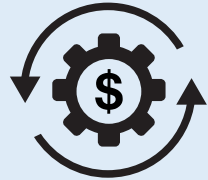
**\$525.3M**  
Lending  
volume  
activity

## Operating Expenditures



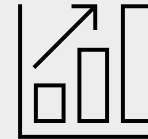
**Operating Revenue**

**\$50.6M**



**Operating Expenses**

**\$19.2M**



**Net Operating Revenue**

**\$31.4M**



**12 Months Projections**

Revenues	\$93.4M
Expenses	(\$42.2M)
<b>Net</b>	<b>\$51.2M</b>



## FY 2024–25 Operating Expenditures Update – Q2

Operating Revenue	6 Months ending December 31, 2024			12 Months ending June 30, 2024		
	Actual	Budget	Variance	Projection	Budget	Variance
<b>Single Family Lending</b>						
Lending Fees	\$23,970	\$8,750	\$15,220	\$41,947	\$17,500	\$24,447
Loan Servicing	264	180	84	444	360	84
Interest	3,926	3,049	877	7,459	6,098	1,361
Admin Fees	8,527	6,750	1,777	15,153	13,500	1,653
<i>Sub-Total Single Family</i>	<i>\$36,687</i>	<i>\$18,729</i>	<i>\$17,958</i>	<i>\$65,003</i>	<i>\$37,458</i>	<i>\$27,545</i>
<b>Multifamily Lending</b>						
Lending Fees	\$2,528	\$4,172	(\$1,644)	\$8,976	\$8,344	\$632
Loan Servicing	720	729	(9)	1,422	1,458	(36)
Interest	8,038	6,266	1,773	12,343	12,531	(188)
Admin Fees	2,663	2,733	(70)	5,727	5,465	262
<i>Sub-Total Multifamily</i>	<i>\$13,950</i>	<i>\$13,899</i>	<i>\$51</i>	<i>\$28,468</i>	<i>\$27,798</i>	<i>\$670</i>
<b>Total Operating Revenue</b>	<b>\$50,637</b>	<b>\$32,628</b>	<b>\$18,009</b>	<b>\$93,471</b>	<b>\$65,256</b>	<b>\$28,215</b>
<b>Operating Expenditures</b>						
Salaries and Benefits	\$13,632	\$15,617	\$1,984	\$29,165	\$31,234	(\$2,069)
Consulting & Professional Services	1,578	2,455	877	4,227	4,911	(684)
General Expense	259	389	130	699	778	(79)
Communications	74	211	137	243	422	(180)
Travel	140	195	54	318	390	(72)
Training	30	133	103	76	267	(191)
Facilities Operation	1,274	1,561	287	2,547	3,122	(575)
Central Administrative Services	1,366	1,164	(202)	2,329	2,329	0
Information Technology	789	1,203	414	2,386	2,406	(20)
Equipment	78	223	144	241	445	(204)
<b>Total</b>	<b>\$19,221</b>	<b>\$23,151</b>	<b>\$3,930</b>	<b>\$42,230</b>	<b>\$46,302</b>	<b>(\$4,072)</b>
<b>Net Operating Revenue</b>	<b>\$31,416</b>	<b>\$9,477</b>	<b>\$14,078</b>	<b>\$51,241</b>	<b>\$18,954</b>	<b>\$32,287</b>



# Questions