Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

### A. GENERAL INFORMATION

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<th>1. Date</th>
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<td>2. Department</td>
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3. Organizational Placement (Division/Branch/Office Name)

MULTIFAMILY PROGRAMS DIVISION / ASSET MANAGEMENT

4. CEA Position Title

Assistant Deputy Director

5. Summary of proposed position description and how it relates to the program's mission or purpose.

(2-3 sentences)

Under the administrative direction of the Deputy Director of the Multifamily Programs Division, the CEA oversees the Asset Management Sections in the Sacramento and Culver City offices and is responsible for managing the $1.2 billion portfolio of Multifamily Affordable Housing Project loans throughout the State of California. The CEA will manage a staff of approximately 17 professional, semi-professional, and clerical staff with four direct reports. The position is critical to ensuring the Agency is able to fulfill its mission of meeting the housing needs of persons and families of low or moderate income and in creating and financing progressive housing solutions so more Californians have a place to call home.

6. Reports to: *(Class Title/Level)*

Deputy Director Multifamily Programs / CEA-B

7. Relationship with Department Director *(Select one)*

- [ ] Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- [x] Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

*(Explain):* Provides Executive Team, Senior Loan Committee and Board Members with recommendations on Multifamily Program-related matters. Is responsible for the development and implementation of policy related to Multifamily Programs/Asset Management.

8. Organizational Level *(Select one)*

- [ ] 1st
- [ ] 2nd
- [ ] 3rd
- [x] 4th
- [ ] 5th (mega departments only - 17,001+ allocated positions)
9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The CEA oversees the functions and highly complex financial structures of the Asset Management Sections in the Sacramento and Culver City offices, responsible for managing the $1.2 billion dollar portfolio of Multifamily Affordable Housing Project loans throughout the State of California. These transactions include the issuance of tax-exempt bonds, state and federal tax credits, and multiple public subsidies, including project-based vouchers. The position is responsible for making decisions and recommendations regarding the development, implementation and maintenance of Asset Management policies and procedures to ensure integrity and compliance with bond covenants, regulatory agreements, loan covenants and conditions as required by federal and state tax law. Oversight includes those loans which are subject to the Department of Housing and Urban Development (HUD) Risk Share Program, and/or U.S. Department of Treasury Federal Financing Bank (FFB) programs as well as tax exempt and taxable bond covenants and regulatory agreements. Leads efforts to create new and modified policies and/or establish procedures to effectively identify and implement efficient solutions related to Asset Management. Maintains Asset Management Guidelines, the Underwriting User Reference Manual, and the Multifamily Procedure Manual to ensure consistency with industry standards and Agency goals. Provides expertise with policies and procedures associated with the Risk Rating and Annual Review processes related to the ongoing Asset Management portfolio of permanent first lien loans.

Oversees and directs the work of the Asset Management staff, which includes oversight and management of the financial analysis of project economics and market performance, review of annual project audits and operating budgets, physical property inspections, the review and approval of requests for ownership transfers, the analysis of rent adjustments, troubled loan managements, collecting earned surplus, and overseeing adequate reserve accounts. CalHFA also has a portfolio of subordinate loans funded from State MHSA funds that require detailed project analysis to determine the appropriate management and release of Agency held capitalized operating reserves. Further, CalHFA’s administers Section 8 and 811 multifamily properties throughout California for which CalHFA is the contract administrator for HUD. Provides oversight of the issuance of Housing Assistance Payments (HAP), tenant income compliance reviews, and physical inspections using HUD’s Real Estate Assessment Center (REAC) protocol. Recommends oversight actions to HUD including termination of management contracts, loan modifications, foreclosure, troubled asset management, transfers of ownership, legal action, etc. Meets with staff and multifamily project owners and agents to discuss occupancy reviews, audits and oversees public contact related to Asset Management activities. Ensures compliance with all insurance and impound requirements. Tenant compliance for Section 8 and 80/20 properties, which include TRACS, voucher processing, tenant liaison and grievance procedures, tenant file audits and 80/20 annual compliance and working with financial auditors to complete HUD Single Audit of Section 8 contract administration. Evaluates, prepares, and conducts performance appraisals to ensure staff development and/or disciplinary action as needed. Provides and recommends training opportunities to increase and enhance professional abilities. Participates in recruiting, interviewing, and hiring. Approves timesheets and time off request.

Provides leadership direction on program development for new projects involving Asset Management functions. Uses knowledge and understanding of multifamily development policy and asset management practices in collaborating both internally with other divisions and externally with other State agencies. Works with HUD and other federal agencies to administer federal programs such as HUD’s Section 811 Project Rental Assistance program. Reviews all development loans in the proposal, underwriting, and/or loan closing stages, loan packages and loan committee packages, particularly budget and operating information, rehab plans, social service needs, proposed escrows, management plans and contracts. Oversees the establishment of escrows and impounds.
10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

☑ Program is directly related to department's primary mission and is critical to achieving the department's goals.

☐ Program is indirectly related to department's primary mission.

☐ Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The California Housing Finance Agency's (CalHFA) mission is to create and finance progressive housing solutions so more Californians have a place to call home.

Established in 1975, CalHFA was chartered as the State's affordable housing bank to make low interest rate loans through the sale of tax-exempt bonds. CalHFA supports these needs by providing financing and programs for individuals with low to moderate income. The Agency is completely self-supporting and bonds are repaid by the revenue generated through mortgage loans, not through taxpayer dollars.

For over 40 years, CalHFA has supported the needs of renters and first-time homebuyers by providing financing and programs that create safe, decent and affordable housing opportunities for individuals with low to moderate income. We have partnered with all levels of government: Federal, State and local, while facilitating collaboration with all levels of the housing industry: developers, lenders, brokers, real estate agents, trade associations and housing advocates, who all make affordable housing possible in California. We have preserved workforce rental housing in California by financing the acquisition and rehabilitation of affordable multifamily housing to help keep existing housing stock up-to-date and safe. We promote affordable housing through collaborative partnerships. We combine our funding with other sources to finance housing that will change the lives of California residents.

The CEA oversees the Asset Management functions of the Multifamily Programs Division, which are critical to our mission of providing and maintaining affordable housing. To ensure that we continue to achieve our mission, the Multifamily Programs Division provides loans that facilitate the development, rehabilitation and preservation of affordable housing projects by partnering with localities as well as for-profit and nonprofit developers. The Multifamily Programs Division also leverages, or increases the purchasing power of other funding sources, including funds from other state agencies, tax-exemption bond allocations from the California Debt Limit Allocation Committee (CDLAC) and Low-Income Housing tax credits allocated by the California Tax Credit Allocation Committee (CTCAC).
B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

Since the recovery from the financial crisis, CalHFA’s lending business has continued to grow in size, budget, and complexity, which has created the need for additional oversight. In addition to this, CalHFA has developed a number of new programs to meet the housing needs of low-to-moderate income Californians. With these new demands, the CalHFA’s Asset Management department needs a CEA position to oversee the $1.2 billion portfolio of multifamily loans which is expected to grow by another $1 billion of new permanent loan conversion set to transfer to the Asset Management department by 2025. A high level of leadership and responsibility is necessary in order to successfully coordinate with internal and external entities, federal, state, and local governments, and private developers and lenders. Additionally, there is a high consequence of error associated with these responsibilities and duties. The CEA must be able to respond efficiently, timely, and sensibly to economic changes/impacts, reporting requirements, and the media while maintaining transparency.

Previously, CalHFA had a civil service position of Deputy Program Director (Rental) (4834), California Housing Finance Agency in the Multifamily Programs Division which could have assisted with some of the duties in this position. However, the classification specification scope was so narrow and specific that only internal candidates could apply and meet the minimum qualifications. After multiple years of recruitment efforts, we were unable to successfully fill the position. Despite all of our recruitment efforts, it proved to be a very difficult to fill; very few applications were received and most did not meet the minimum qualifications which made the candidates ineligible to interview. SPB subsequently abolished the classification.

Similarly, we considered using the Housing Finance Chief (Management Services) classification, however, the classification specification is so specific, that it's proven challenging to recruit qualified individuals. The nature and complexity of managing these multi-million dollar programs cannot be overstated. Each of these projects, which are subject to a myriad of Local, State and Federal compliance requirements from HUD Risk Share, Tax Credit Compliance, Bond Covenants, State Statutory Requirement, local ordinance and regulatory agreements, necessitate oversight by an individual with extensive experience developing operational policies and procedures, designing effective management reporting and implementing and monitoring internal controls to ensure polices are consistently applied and periodically reviewed and modified as circumstances of the regulatory landscape changes. An example of policies and procedures which will fall under the responsibility of this position is the development of new policies and procedure to provide asset management on the deployment of recycled bonds. CalHFA is one of only three states in the nation to design and implement a credit facility to preserve the tax exempt status of bonds at the conversion to permanent financing, an very complex financing strategy that will lessen the pressure on the State’s oversubscribed bond cap and achieve key goals of the Administration and the State Treasurer. While the mechanism to preserve tax exempt bonds has been designed, the policies and procedures regarding how to appropriately manage the redeployment of these recycled bonds and the compliance policies and procedures to ensure recycled bonds maintain their federal and state tax exempt status must still be designed, implemented and refined. This position will also be critical to helping draft the regulatory changes required to link recycled bonds to the State Tax Credits, which further adds to the complexity of Asset Management activities on these new programs.

We need the ability to recruit successful candidates with current and relevant market experience. By utilizing the CEA classification, it will provide a more diverse, robust, and qualified candidate pool.
C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The CEA is responsible for creating and continuously revising Asset Management policies and procedures to ensure on-going compliance with new bond covenants, and frequently changing regulatory agreements and federal and state tax laws. The CEA also creates new policy to ensure compliance with Federal Department of Housing and Urban Development (HUD) Risk Share transactions financed with HUD and the Federal Financing Bank as these programs continually evolve in response to changes in the Administration. The CEA must keep informed of all updates to state and federal laws, regulations and/or program guidelines that are required to be implemented and ensure that these changes are incorporated into CalHFA Asset Management policies and procedures. Failure to comply with these numerous and varied policy requirements could result in significant financial penalties, and could ultimately cripple the lending capability of CalHFA.

Completely separate from the Risk Share transactions, the CEA is also responsible for managing CalHFA's Section 8 and 811 multifamily properties for which CalHFA is the contract administrator on behalf of HUD. In coordination with HUD, the CEA will develop and implement policies to ensure CalHFA is in compliance with constantly evolving Section 8 and 811 program federal laws and regulations. Functions related to this activity include oversight of the issuance of Housing Assistance Payments (HAP), tenant income compliance reviews, and physical inspections using HUD’s Real Estate Assessment Center (REAC) protocol. Any disregard for such policies would create significant financial penalties, impact CalHFA's ability to secure funding and could result in a loss of delegation, negative media coverage, litigation, audits, loss of credibility, loss of faith by the public and/or a civil or criminal investigation which would hinder CalHFA's participation in these programs, resulting in a detrimental effect to the Agency's mission.

The CEA is responsible for high-impact actions which include termination of property management contracts, loan modifications, foreclosures, troubled asset management, transfers of ownership, and legal actions. The CEA also oversees the creation and implementation of all policies related to compliance with earthquake, liability insurance, and other impound requirements as required in evolving state and federal legislation. Failing to create policies enforcing these mandates could result in a negative perception of the Agency and damage to CalHFA's credit rating, which is separate/distinct from the State's credit rating, and is based in large part on activity and reputation. Therefore, ensuring CalHFA is always adhering to these state and federal policies and regulations is critical to CalHFA's ability to do business.

The CEA is responsible for the development of new policies and procedures to provide asset management on the deployment of recycled bonds. CalHFA is one of only three states in the nation to design and implement a credit facility to preserve the tax exempt status of bonds at the conversion to permanent financing, a very complex financing strategy that will lessen the pressure on the State's oversubscribed bond cap and achieve key goals of the Administration and the State Treasurer. While the mechanism to preserve tax exempt bonds has been designed, the policies and procedures regarding how to appropriately manage the redeployment of these recycled bonds and the compliance policies and procedures to ensure recycled bonds maintain their federal and state tax exempt status must still be designed, implemented and refined. This position will also be critical to helping draft the regulatory changes required to link recycled bonds to the State Tax Credits.

All of these policy areas further add to the complexity of Asset Management activities for this position and support CalHFA's requirement for a CEA in this role.
C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position’s scope and nature of decision-making authority?

The CEA will possess a high level of decision-making authority as well as responsibility. The CEA will be responsible for managing the Asset Management Sections in the Sacramento and Culver City Offices. The CEA will manage a staff of approximately 17 professional, semi-professional and clerical staff with 4 direct reports. The Asset Management functions are critical to our mission of providing and maintaining affordable multifamily housing.

The CEA will have a major role in the decision making of the Asset Management Sections. The CEA oversees the units that are responsible for CalHFA's Taxable, Tax-Exempt, and CalHFA funded Permanent Loan Programs which provide competitive long-term financing for affordable housing projects. These projects include newly constructed or acquisition/rehabilitation developments that provide affordable housing opportunities for individuals, families, seniors, veterans, and special-needs tenants. In addition, the CEA will have decision-making authority for high-impact actions such as termination of management contracts, loan modifications, foreclosure, troubled loan management, transfers of ownership, legal action, etc. These decisions have a significant impact on CalHFA's ability to fulfill its mission.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The CEA will be developing and implementing new policy as well as interpreting, implementing and revising existing policies. The CEA will collaborate with the Director and Deputy Director of the Multifamily Programs Division to develop, implement, and interpret new and existing policies affecting Asset Management including the implementation of new policies to affirmatively further fair housing and ensure Agency policies have appropriate provisions for tenant protections. These policies are required to comply with HUD regulations, federal and state laws, and frequently changing market conditions in order for Asset Management to successfully continue to fulfill our mission of every Californian having a place to call home.