Streamlining Multifamily

California Housing Finance Agency

Management Innovation: Internal Operations

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Overview

CalHFA developed and is implementing a customized Multifamily Reporting System (MFS) to give both our Multifamily Lending and Asset Management divisions access to a single repository of information for all CalHFA Multifamily portfolio projects.

Prior to the deployment of the new system, the Multifamily Lending group used one database for loan originations while the Asset Management group used a separate database for compliance monitoring of portfolio projects, and both these databases had become cumbersome due to years of add-ons and surface fixes. Now both groups are using one new system, tailored to CalHFA's specific needs.

This new system was key to increasing our efficiency, streamlining internal processes and allowing CalHFA to collect data more efficiently and performing more dynamic and useful reporting of that data. Also, it allows CalHFA to simplify several ongoing tasks including evaluating multifamily projects, conducting compliance and collaborating with our other internal staff groups. CalHFA's IT staff will be able to maintain the system in-house, without paying for expensive external contractors who provide similar services at an upcharge. Internal staff will also continue to maintain and improve the Multifamily Reporting System as CalHFA's business needs change or expand.

The Multifamily Reporting System is innovative

CalHFA has eliminated the need for separate systems used by 35 staff members—freeing up staff time—and eliminated the $125,000 in annual costs associated with those systems. The new system enhances our ability to view, interpret, compare, and manage a project's financial history. All notifications of project status changes and staff assignments are now automated, and data no longer exists in Excel spreadsheets: it is now easily accessible in database format. We can even connect to other units' systems to see their data (e.g., links to and displays data from our Fiscal Services Division's system in real time).

In addition to ease of use, the new system gives us improved accuracy and quality of information. Data transfer between groups is now completely paperless, minimizing the possibility of error. All previously separated data collection sources are now integrated into one system with customized, personalized dashboards that provide quick, sortable, searchable access to key data elements. We now have the capability to filter a list of projects based on searchable key data elements (i.e. city, developer, property management company, loan program type, etc.) and produce streamlined, ad-hoc reporting capabilities for all project life cycles.

The Multifamily Reporting System is replicable

Development was simple and straightforward: we obtained and developed a base product with a solid framework from one of our stakeholders. We then replicated the base and customized to our environment. This base gives us connection to other systems for data view, Financial Analysis

uploads and the ability to link documents to our SharePoint document library. With a robust enough IT division, this approach should be replicable by any other housing finance agency.

The Multifamily Reporting System responds to a management challenge

CalHFA's Multifamily Division finances thousands of housing units a year and plays a key niche role in California's challenging housing landscape. It is of paramount importance that we have a flexible, well-designed multifamily IT system that supports the Multifamily Division as programs, business needs, and market trends change—sometimes very rapidly.

The new system's ability to quickly add data fields and parameters allows us to report on and evaluate new programs that meet the ever-evolving multifamily market. There is a lack of commercial-off-the-shelf systems currently on the market that can accommodate the work for both Multifamily Lending and Multifamily Asset Management's needs, and we have developed an established, tested system that will accommodate all phases of the lifecycle of housing projects, from inquiry for approval, through compliance oversite, and back to refinancing. This gives us, our stakeholders and the legislature the ability to easily figure out what works and what doesn't.

The Multifamily Reporting System demonstrates measurable improvements in agency operations

Most importantly, the new system gives us the ability to respond quickly to our customers: builders, developers, property managers and residents. We can analyze, track, and measure customer desires and demands, with plans to give external customers and partners direct access to MFS to speed up submission of documents and response time.

The Multifamily Reporting System provides benefits that outweigh costs

The biggest benefit has been immensely reduced staff time spent on inefficient processes. Namely,

- Eased transfer of projects from MF Lending to MF Asset Management
- Enhanced reporting capability and timing for constructing reports
- Ability to import and export data directly into and from the system into/from formatted documents and reports
- Reduced manual data entry processes by automating data entries
- Ability to retrieve documentation that is held in a separate database (SharePoint)
- Reduced redundant processes that staff were performing in two systems
- Improved efficiency in adjusting system business requirements
- Internal IT staff can alter/modify MFS significantly quicker without involving contacting software vendors to convey our request, and then waiting weeks or even months to make a costly change
- Reduced $125,000 in annual operating costs by eliminating two separate software contracts for the Agency's MF Division

The Multifamily Reporting System demonstrates effective use of resources

Prior to this upgrade, users needed to contact other internal departments to verify payments, fees, and a variety of other data that is housed in other databases that multifamily staff does not have access to. We have eliminated this need by having a read-only one-way display to view other units' data when needed. This reduces staff time in both Multifamily and other units by no longer needing to constantly interrupt other units during their workday.

We were also able to shift a business analyst from an established unit with a deployed system in the maintenance and operations phase, allowing them to explore options, feasibility, comparisons, collect and write requirements, and ultimately be a key player in beginning this new system. A well-established development team reverse-engineered an existing product to meet CalHFA's multifamily needs and specifications, which was ultimately more cost-effective than obtaining a costly system or developing a new system from scratch. Finally, when the Multifamily Reporting System was at the release point, several CalHFA IT staff were assigned to learn the system and be the main in-house team for maintaining and updating the system's development.

The Multifamily Reporting System achieves strategic objectives

The new system checks multiple priorities from our 2021-22 Business Plan, which has the three pillars: "Serve People," "Refine Operations" and "Build Partnerships." We've refined our operations with this system: CalHFA can now collect data more efficiently and, with the expansion of our database, perform more dynamic reporting of that data. We also merged multiple operating systems into a single platform. We've served people by conducting trainings for all staff and continually assisting other staff with the uses of MFS. This has led to an increase in productivity and allowed new staff to quickly integrate into their new role and bring forth new ideas. Finally, we've built partnerships by increasing collaboration with both staff and external stakeholders.

FIGURE 1 FULLY CUSTOMIZABLE DASHBOARDS

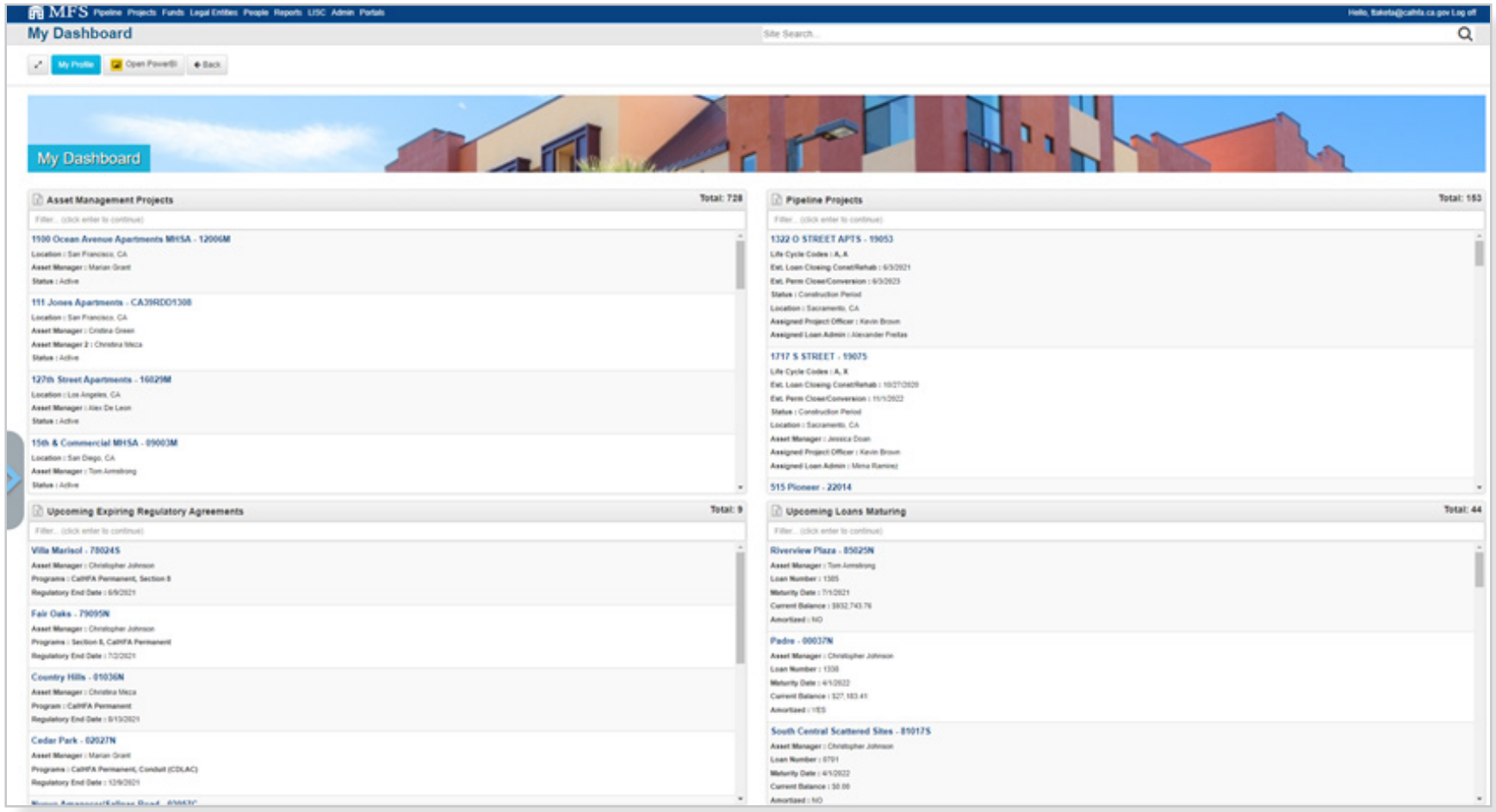

FIGURE 2 SIMPLE PROJECT OVERVIEW SCREENS

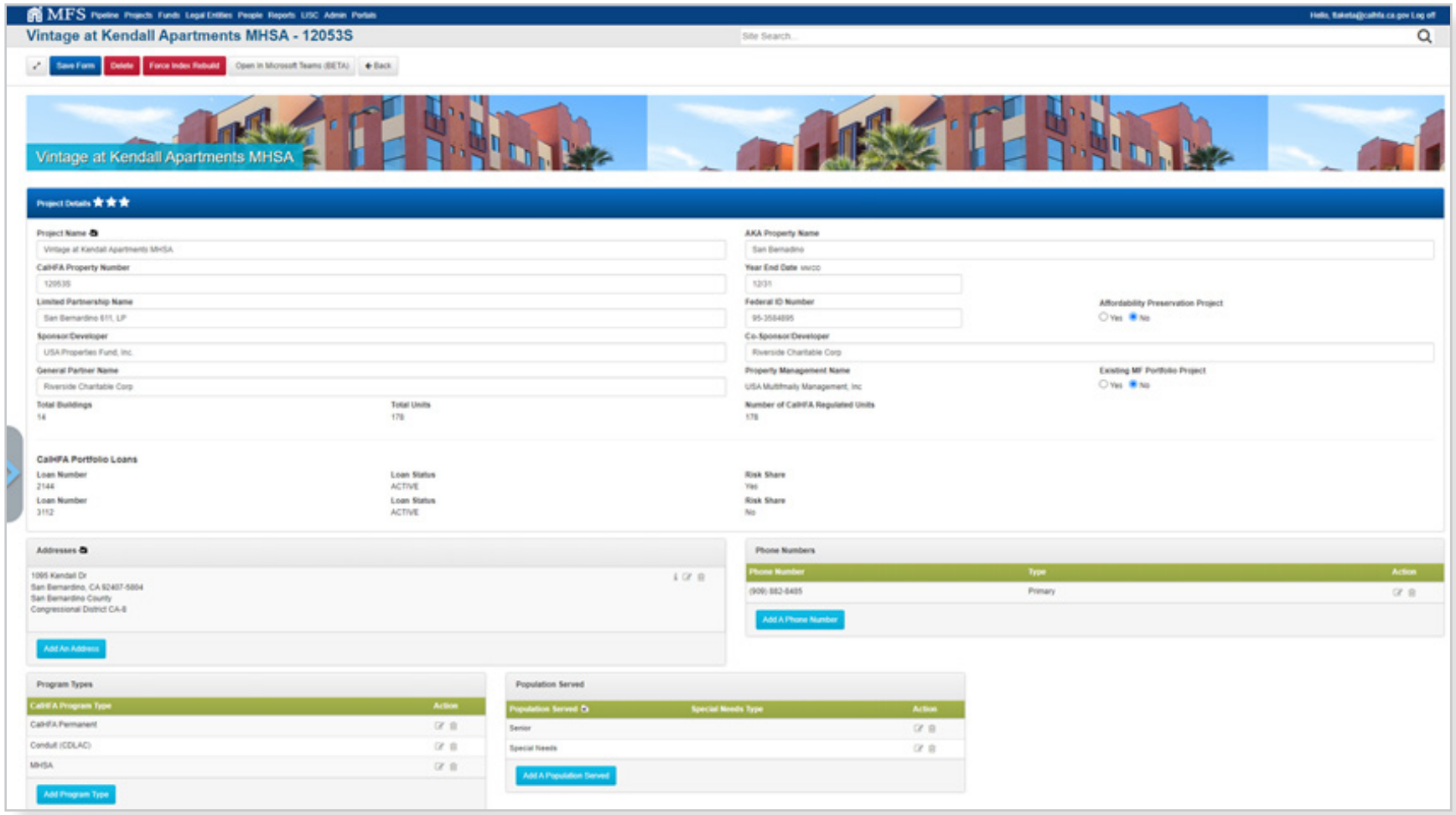

FIGURE 3 EASILY CUSTOMIZABLE VISUAL-BASED REPORTS

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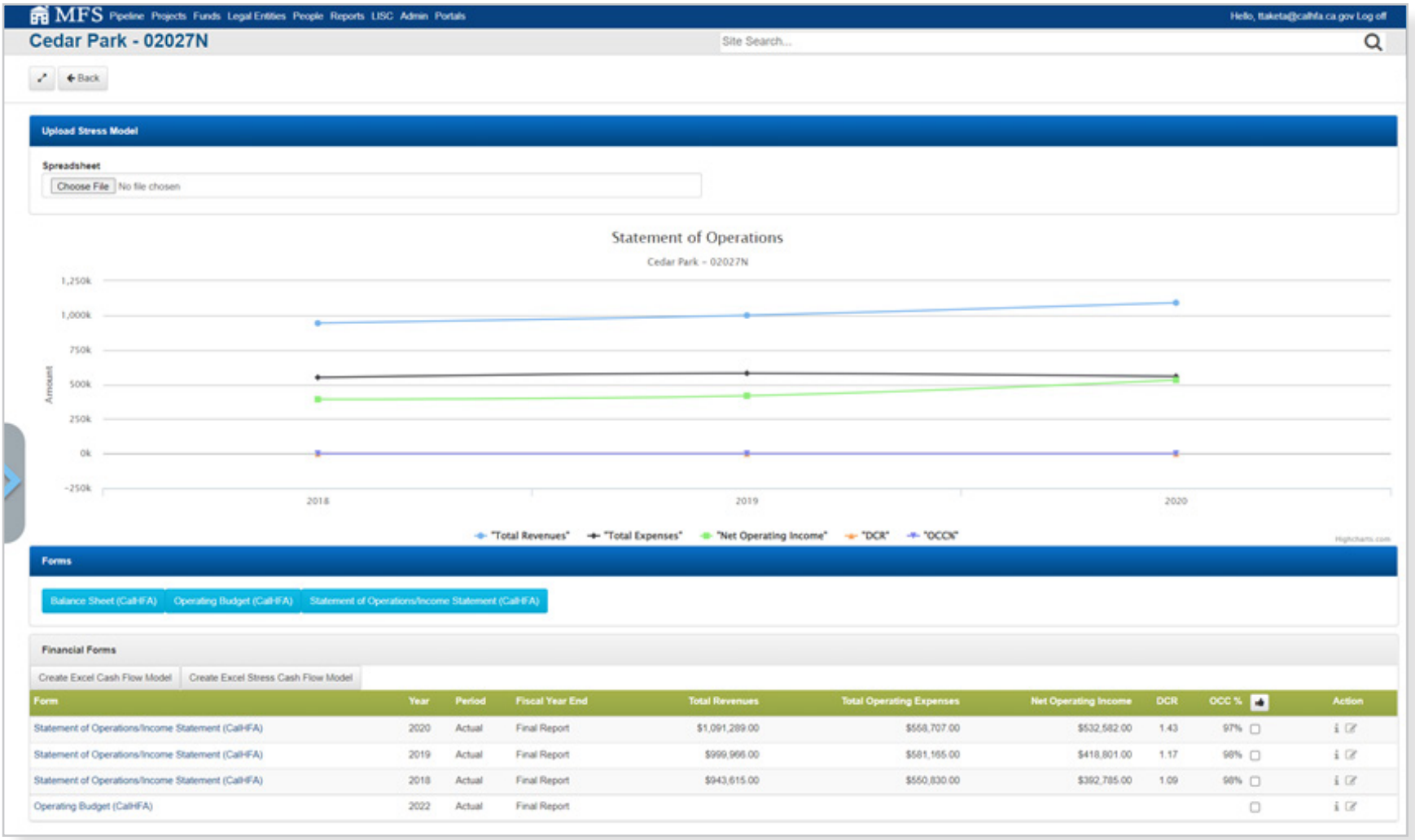
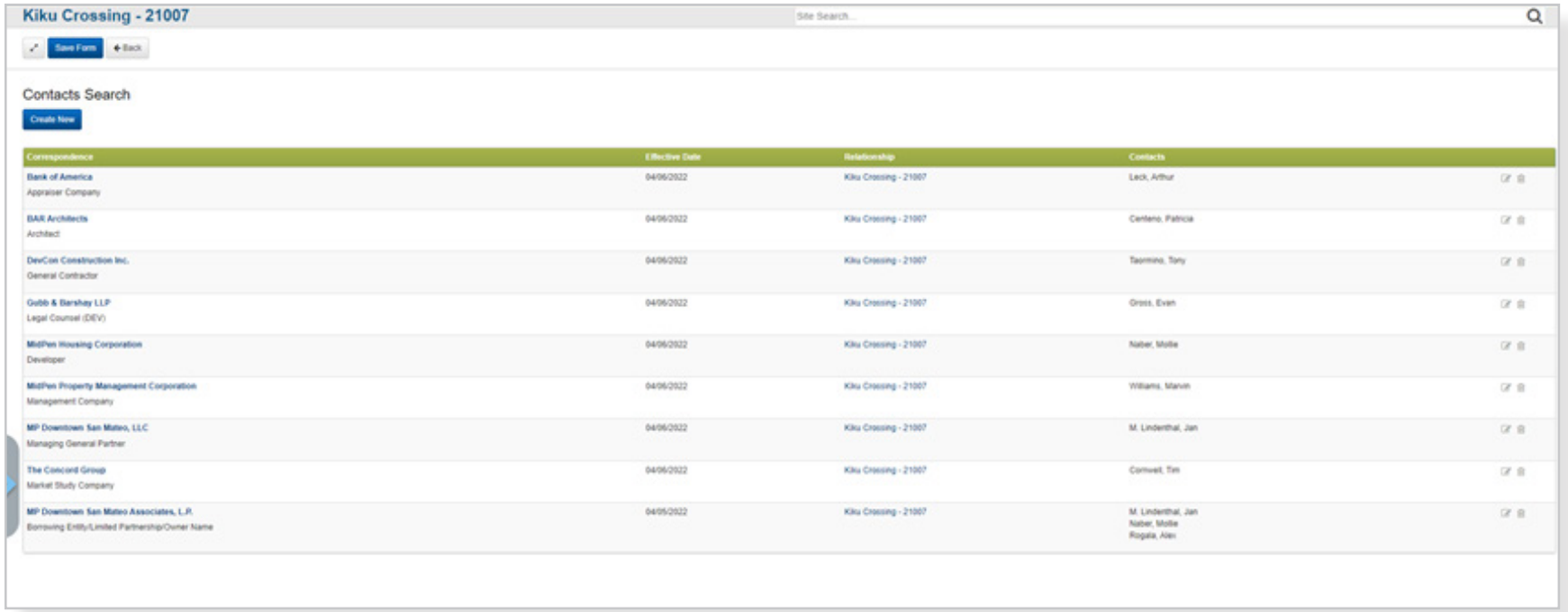


FIGURE 4 EASY ACCESS TO ALL PROJECT CONTACT INFORMATION

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