



Fiscal Year 2014 Budget

BOARD MEETING

December 03, 2013



Richard E. Constable III, Commissioner
HMFA Chairman

Anthony L. Marchetta
Executive Director



**NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
STATEMENT OF REVENUES AND EXPENSES
FOR FISCAL YEAR 2014**

REVENUES	BUDGET FY 2013	% OF TOTAL REVENUES	ANNUALIZED 2013	% OF TOTAL REVENUES	DOLLARS OVER OR (UNDER)	PERCENTAGE OVER OR - UNDER	BUDGET FY 2014	BUDGET 14 VS. 13 PERCENTAGE OVER OR - UNDER
Investment Income:								
1 Mortgage Interest	6,174,000	16%	6,825,599	15%	651,599	10.55%	6,128,000	-0.75%
2 Other Investments	2,617,000	7%	2,923,376	7%	306,376	11.71%	2,704,000	3.32%
Total Investment Income	8,791,000	23%	9,748,975	22%	957,975	10.90%	8,832,000	0.47%
Production Revenue:								
3 Section 8 Fees	2,454,000	6%	1,673,180	4%	(780,820)	-31.82%	1,485,000	-39.49%
4 Low Income Tax Credit Fees	3,767,000	10%	3,781,097	9%	14,097	0.37%	2,654,000	-29.55%
5 Single Family Production Fees	2,597,000	7%	2,642,434	6%	45,434	1.75%	2,851,000	9.78%
6 Conduit Fees	1,960,000	5%	3,610,913	8%	1,650,913	84.23%	3,612,000	84.29%
7 Other Revenues	2,891,000	8%	4,015,219	9%	1,124,219	38.89%	2,592,000	-10.34%
8 HUD Section 8 Contract Administration	5,966,000	16%	8,181,142	19%	2,215,142	37.13%	7,523,000	26.10%
Total Production Revenue	19,635,000	51%	23,903,986	54%	4,268,986	21.74%	20,717,000	5.51%
9 Bond Issue Reimbursement	9,925,000	26%	10,441,000	24%	516,000	5.20%	9,210,000	-7.20%
TOTAL REVENUES	38,351,000	100%	44,115,960	100%	5,742,960	14.97%	38,759,000	1.06%



	BUDGET FY 2013	% OF TOTAL REVENUES	ANNUALIZED 2013	% OF TOTAL REVENUES	DOLLARS OVER OR (UNDER)	PERCENTAGE OVER OR - UNDER	BUDGET FY 2014	BUDGET 14 VS. 13 PERCENTAGE OVER OR - UNDER
OPERATING EXPENSES								
Salaries by Division:								
Administration	1,012,000	3%	960,922	2%	(51,078)	-5.05%	936,000	-7.51%
Audit	418,000	1%	471,180	1%	53,180	12.72%	501,000	19.86%
Capital Markets	491,000	1%	428,788	0.00%	(62,212)	-12.67%	543,000	10.59%
Executive	1,234,000	3%	1,194,424	3%	(39,576)	-3.21%	1,218,000	-1.30%
Finance	1,153,000	3%	1,115,019	3%	(37,981)	-3.29%	1,244,000	7.89%
HMFA Multi-Family Property Mgmt	2,343,000	6%	2,094,144	5%	(248,856)	-10.62%	2,282,000	-2.60%
HUD Multi-Family Project Management (CA)	1,490,000	4%	1,307,854	3%	(182,146)	-12.22%	1,313,000	-11.88%
Human Resources	384,000	1%	394,420	1%	10,420	2.71%	412,000	7.29%
Information Technology	1,299,000	3%	1,155,370	3%	(143,630)	-11.06%	1,383,000	6.47%
Insurance	0	0%	0	0%	0	0.00%	169,000	0.00%
Marketing	0	0%	198,462	0%	198,462	0.00%	443,000	0.00%
Loan Closings	568,000	1%	527,652	1%	(40,348)	-7.10%	576,000	1.41%
Multi-Family Programs & Lending	726,000	2%	586,336	1%	(139,664)	-19.24%	532,000	-26.72%
Credit & Business Development	415,000	1%	453,937	1%	38,937	9.38%	401,000	-3.37%
Regulatory Affairs	854,000	2%	613,941	1%	(240,059)	-28.11%	478,000	-44.03%
Single Family Loan Production	2,153,000	6%	2,050,824	5%	(102,176)	-4.75%	2,308,000	7.20%
Supported Housing Production	508,000	1%	450,289	1%	(57,711)	-11.36%	486,000	-4.33%
Tax Credits Allocation & Compliance	707,000	2%	707,390	2%	390	0.06%	586,000	-17.11%
Technical Services	1,124,000	3%	1,042,831	2%	(81,169)	-7.22%	1,059,000	-5.78%
Personnel Reserve	354,000	1%	354,000	1%	0	0.00%	354,000	0.00%
10 Total Salaries	17,233,000	45%	16,276,616	37%	(956,384)	-5.55%	17,224,000	-0.05%
Related Benefits:								
Payroll Taxes	1,362,000	4%	965,886	2%	(396,114)	-29.08%	1,430,000	4.99%
Health Benefits	4,518,000	12%	3,748,623	8%	(769,377)	-17.03%	4,940,000	9.34%
Dental Insurance	183,000	0%	152,940	0%	(30,060)	-16.43%	182,000	-0.55%
Prescription Insurance & Vision	1,303,000	3%	1,096,563	2%	(206,437)	-15.84%	1,367,000	4.91%
Pension, Life Insurance	2,230,000	6%	2,229,525	5%	(475)	-0.02%	2,230,000	0.00%
Long Term & Temporary Disability	77,000	0%	51,582	0%	(25,418)	-33.01%	63,000	-18.18%
Education Assistance	125,000	0%	104,971	0%	(20,029)	-16.02%	105,000	-16.00%
		0						
Total Benefits	9,798,000	26%	8,350,091	19%	(1,447,909)	-14.78%	10,317,000	5.30%
Total Salaries & Benefits	27,031,000	70%	24,626,707	56%	(2,404,293)	-8.89%	27,541,000	1.89%



	BUDGET FY 2013	% OF TOTAL REVENUES	ANNUALIZED 2013	% OF TOTAL REVENUES	DOLLARS OVER OR (UNDER)	PERCENTAGE OVER OR - UNDER	BUDGET FY 2014	BUDGET 14 VS. 13 PERCENTAGE OVER OR - UNDER
Professional Serv. & Financing Costs:								
11 Legal	975,000	3%	975,087	2%	87	0.01%	987,000	1.23%
Audit and Accounting	160,000	0%	157,122	0%	(2,878)	-1.80%	160,000	0.00%
12 Program Consultants	226,000	1%	224,248	1%	(1,752)	-0.78%	201,000	-11.06%
Cash Flow & Bond Financing Consulting	200,000	1%	197,595	0%	(2,405)	-1.20%	200,000	0.00%
Trustee Fees for Existing Bond Resolutions	7,000	0%	7,000	0%	0	0.00%	7,000	0.00%
Housing Affordability Service	25,000	0%	24,994	0%	(6)	-0.02%	25,000	0.00%
Housing Resource Center	109,200	0%	109,200	0%	0	0.00%	109,200	0.00%
DCA Unit	512,000	1%	511,964	1%	(36)	-0.01%	484,000	-5.47%
Governor's Authorities Assessment	35,000	0%	34,932	0%	(68)	-0.19%	35,000	0.00%
Total Professional Services & Costs	2,249,200	6%	2,242,142	5%	(7,058)	-0.31%	2,208,200	-1.82%
Building Operations:								
13 Utilities	250,000	1%	249,698	1%	(302)	-0.12%	250,000	0.00%
Telephone	269,000	1%	273,436	1%	4,436	1.65%	278,000	3.35%
PILOT - 637 South Clinton Ave	200,000	1%	200,000	0%	0	0.00%	200,000	0.00%
14 Building Operations	883,000	2%	882,750	2%	(250)	-0.03%	919,000	4.08%
Total Building Operations	1,602,000	4%	1,605,883	4%	3,883	0.24%	1,647,000	2.81%
Equipment Leases/Rentals:								
15 Equipment Rental/Lease	163,000	0%	157,827	0%	(5,173)	-3.17%	141,000	-13.50%
Storage	28,000	0%	27,920	0%	(80)	-0.28%	28,000	0.00%
Rent Disaster Recovery	4,000	0%	4,000	0%	0	0.00%	4,000	0.00%
Total Equipment Leases/Rentals	195,000	1%	189,747	0%	(5,253)	-2.69%	173,000	-11.28%



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Other General & Administrative Expenses:								
General Operation:								
ADP/Payroll Services	48,000	0%	48,929	0%	929	1.94%	53,000	10.42%
Bank Fees	256,000	1%	255,905	1%	(95)	-0.04%	256,000	0.00%
Loan Interest Expense	52,000	0%	50,800	0%	(1,200)	-2.31%	49,000	-5.77%
Postage & Couriers	109,000	0%	108,967	0%	(33)	-0.03%	113,000	3.67%
Insurance	542,000	1%	541,996	1%	(4)	0.00%	609,000	12.36%
Gas, Mileage, Meals, Travel	100,000	0%	101,372	0%	1,372	1.37%	110,000	10.00%
Automobile Maintenance	46,000	0%	45,265	0%	(735)	-1.60%	48,000	4.35%
Total General Operation	1,153,000	3%	1,153,235	3%	235	0.02%	1,238,000	7.37%
Supplies:								
Office Supplies	109,000	0%	108,999	0%	(1)	0.00%	116,000	6.42%
Duplicating Maintenance/Supplies	67,000	0%	66,990	0%	(10)	-0.01%	69,000	2.99%
Computer Maintenance/Supplies	597,000	2%	596,998	1%	(2)	0.00%	695,000	16.42%
General Printing/Stationery	15,000	0%	14,640	0%	(360)	-2.40%	15,000	0.00%
Total Supplies	788,000	2%	787,628	2%	(372)	-0.05%	895,000	13.58%
Printing & Advertising:								
16 Public Outreach	184,000	0%	183,024	0%	(976)	-0.53%	183,000	-0.54%
Advertising	7,000	0%	6,995	0%	(5)	-0.07%	7,000	0.00%
Total Printing & Advertising	191,000	0%	190,019	0%	(981)	-0.51%	190,000	-0.52%



	BUDGET FY 2013	% OF TOTAL REVENUES	ANNUALIZED 2013	% OF TOTAL REVENUES	DOLLARS OVER OR (UNDER)	PERCENTAGE OVER OR - UNDER	BUDGET FY 2014	14 VS. 13 PERCENTAGE OVER OR - UNDER
Other:								
Subscriptions & Publications	58,000	0%	57,423	0%	(577)	-0.99%	59,000	1.72%
Recertifications and Licenses	9,000	0%	9,237	0%	237	2.63%	10,000	11.11%
Training	69,000	0%	68,538	0%	(462)	-0.67%	69,000	0.00%
Dues and Memberships	7,000	0%	7,000	0%	0	0.00%	8,000	14.29%
Conferences	19,000	0%	13,964	0%	(5,036)	-26.50%	14,000	-26.32%
Miscellaneous	68,000	0%	67,997	0%	(3)	0.00%	68,000	0.00%
Total Other	230,000	1%	224,159	1%	(5,841)	-2.54%	228,000	-0.87%
Total Other General & Administrative Exp.	2,362,000	6%	2,355,041	5%	(6,959)	-0.29%	2,551,000	8.00%
Operating Contingency	300,000	1%	282,206	1%	(17,794)	-5.93%	300,000	0.00%
17 Capital Additions	81,000	0%	81,000	0%	0	0.00%	74,000	-8.64%
18 Information Technology	257,000	1%	256,950	1%	(50)	-0.02%	256,000	-0.39%
TOTAL OPERATING EXPENSES	34,077,200	89%	31,639,675	72%	(2,437,525)	-7.15%	34,750,200	1.97%
Hardest Hit Program Grant Income *	458,953	1%	458,953	1%	0	0.00%	142,911	-68.86%
Hardest Hit Program Grant Expenses *	(458,953)	-1%	(458,953)	-1%	0	0.00%	(142,911)	-68.86%
Superstorm Sandy CDBG Grant Income **	0	0%	0	0%	0	0.00%	1,898,325	0.00%
Superstorm Sandy CDBG Grant Expenses **	0	0%	0	0%	0	0.00%	(1,898,325)	0.00%
* The Federal Fund Hardest Hit Program is being implemented by HMFA for a 3-5 year period therefore the administrative expenditures covered by the Program will conclude upon program completion.								
** The Federal Fund Superstorm Sandy CDBG Program is being implemented by HMFA therefore the administrative expenditures covered by the Program will conclude upon program completion.								
NON-BONDED PROGRAM EXPENSES								
Single Family Construction Program	3,932,800	10%	12,159,888	28%	8,227,088	209.19%	3,660,800	-6.92%
TOTAL NON-BONDED PROGRAM EXP.	3,932,800	10%	12,159,888	28%	8,227,088	209.19%	3,660,800	-6.92%
TOTAL REVENUES	38,351,000	100%	44,115,960	100%	5,764,960	15.03%	38,759,000	1.06%
NET INCREASE IN CASH	341,000	1%	316,397	1%	(24,603)	-7.21%	348,000	2.05%



EXHIBIT 1

MORTGAGE REVENUES (GENERAL FUND)

			BUDGET FY 2014
SINGLE FAMILY			
Non-Bond Funding - (1)			875,719
MULTI-FAMILY			
NAME	COUNTY		
1	Kingsbury	Mercer	16,696
34	Greater Englewood	Bergen	15,432
277	Penn Village	Salem	58,732
281	Eggert's Crossing	Mercer	142,407
298*	Grogan Marineview	Hudson	316,402
321	New Hope	Newark	8,183
364*	Charc	Essex	235,648
408*	Hamilton Seniors	Mercer	171,202
472	Audubon Towers	Camden	131,667
539*	Leonias Seniors Phase I	Bergen	126,190
561	INCCA Carroll St.	Passaic	10,985
569	Marian Manor	Essex	119,608
598*	Erie Lackawanna	Essex	272,717
733*	Pond Run II	Mercer	108,790
882	Sebastian Villa	Monmouth	28,832
926	Hall's Corner	Union	412,621
935	Salem Towers	Essex	318,094
10983	Oakwood Plaza	Union	137,905
10442	Edward K Gill Apts	Union	187,103
1058*	Metropolitan Plaza	Atlantic	156,370
1104*	Resurrection House	Hudson	1,357
1120	Clinton Park	Mercer	18,858
1127	Ethel Lawrence	Burlington	38,390
1129*	Runsen House	Camden	66,730
1190	Summer Hill	Passaic	18,988
1275	Mews at Collingwood Park	Monmouth	13,526
1280	Bright Side Manor	Bergen	3,421
1327	Dr. King Plaza	Essex	7,623
1379	McKenna House	Hunterdon	6,482
1381	Brick Church Commons	Essex	192,928
1388	Whitlock Mills	Hudson	111,318
1401	Beverly Commons	Burlington	40,119
1427	Salem Senior Village	Salem	73,963
1435	Union Avenue	Union	48,398
1442	Samuel L. Miller	Burlington	2,667
1444	East Grand Street	Union	18,807
1447	Walnut Manor	Cumberland	128,367
1455	Elm Street	Essex	37,911
1458*	Ehrhart Gardens	Union	471,712
1468*	Brownstone Properties	Essex	64,402
1476	Bayonne Community	Hudson	59,653
1477	Hill Bowl	Essex	18,447
1494	Palmer Street Development	Union	28,112
1234	NJ Community Fund	Union	45,330
2199	Scudder Homes Family	Essex	19,734
2214	Stafford Park Apts	Ocean	253,098
2279	Tanyard Oaks	Gloucester	46,650
2286	Berry Street Commons	Somerset	218,750
2325*	450 Ocean Avenue	Hudson	53,452
2516	Whitney Crescent	Gloucester	78,909
12353	55 Glenridge Avenue	Essex	6,388
12413	Harmony Square	Essex	51,828
12501	The Juliet	Sussex	3,379
12555	84 First Street	Union	20,433
SL#3	51 Parkview	Essex	6,624
Sub-Total			5,252,338
GRAND TOTAL			\$6,128,000

* Represents 1st mortgages

EXHIBIT 2

OTHER INVESTMENTS

	BUDGET FY 2014
General Fund (.92%)	2,703,759
TOTAL	\$2,704,000

EXHIBIT 3

SECTION 8 ADMINISTRATIVE FEES

PROJECT BASED & EXISTING PROGRAMS

HMFA #	DEVELOPMENT	BUDGET FY 2014
399	Oakwood Towers	\$208,832
458	Prospect Park Apts	\$113,818
509	Minnisink Village	\$86,080
844	St. James Village	86,093
945	Highland Plaza	90,446
951	Woodbury Oakwood Associates	55,780
983	Pierce Manor	316,031
1026	Norfolk Square	56,632
1048	Knoll View	44,153
1064	Crestbury	253,300
1084	Chestnut	52,208
1110	Broadway	121,779
Project Based Program Sub-Total		\$1,485,152
Total Section 8 Fees		\$1,485,000

EXHIBIT 4

LOW INCOME TAX CREDIT FEES

		BUDGET FY 2014
Application Fees		
	<i>Applications</i>	112,500
	<i>Re-application</i>	100
Allocation/Monitoring Fees		
	<i>1% of the allocated tax Credit amount X 15 years.</i>	2,041,139
Issuance		
	<i>1% Tax Credit</i>	500,000
	TOTAL	\$2,654,000

EXHIBIT 5

SINGLE FAMILY PRODUCTION REVENUES

	BUDGET FY 2014
MRB Service Fees (Note 1)	2,018,750
PFRS Service Fees	288,000
Origination Fees	489,250
Unrefunded Participation Fees	40,000
Other Program Fees	15,000
TOTAL	\$2,851,000

1) Includes servicing fees, which are net of related expenses.

EXHIBIT 6

CONDUIT BOND FEES

**BUDGET
FY 2014**

2013 New Conduit Bond Projected Fees:

Commitment Fee @ .50%

912,634

Construction Loan Commitment Fee @ 2%

1,716,104

Annual Fee @ .50%

778,726

Recurring Conduit Fees 2011 & 2012 Projects

204,949

TOTAL

\$3,612,000

EXHIBIT 7

OTHER REVENUES

	BUDGET FY 2014
Supplemental Mortgage Admin. Fee	1,680,732
Application Fees Multi-Family & Single Family	226,500
Housing Affordability Service (HAS) Fees	126,000
Special Needs Origination & Administrative Fees	194,000
PHA Monitoring Fees	132,145
Sale of Solar Renewable Energy Credits	16,000
Miscellaneous Fees	216,795
TOTAL	\$2,592,000

EXHIBIT 8

HUD SECTION 8 CONTRACT ADMINISTRATION

	BUDGET FY 2014
Basic Fee (319 contracts)	7,523,181
TOTAL	\$7,523,000

EXHIBIT 9
BOND ISSUE REIMBURSEMENT

	BUDGET FY 2014
Single Family	3,343,000
Multi Family	5,867,000
TOTAL	\$9,210,000

EXHIBIT 10

PROJECTED HEADCOUNT

	HEADCOUNT BUDGET FY 2014	SALARY BUDGET FY 2014
Authorized Headcount	269	\$17,224,000
Proposed CDBG Disaster Relief Positions	18	0**
 PROPOSED TOTAL HEADCOUNT & SALARY	287	17,224,000

** CDBG program staff salaries are reimbursed from the CDBG funds.

EXHIBIT 11

LEGAL

	BUDGET FY 2014
Office of Administrative Law	30,000
Legal Professional Services	75,000
Labor Counsel Services	25,000
Liquidity Facilities Legal Fees	285,000
Legal Services from the Office of the Attorney General (3.50 DAGs)	571,772
TOTAL	\$987,000

EXHIBIT 12

PROGRAM CONSULTANTS

	BUDGET FY 2014
Capital Markets:	
GASB 53 Derivative	40,000
Arbitrage Rebate Liability Calculation	36,000
S&P General Obligation Rating	25,000
Sub-Total	101,000
Tax Credits:	
Appraisal Review Services	8,800
Market Studies	37,125
Compliance Training Seminars	20,600
Sub-Total	66,525
Administration:	
Generator Structural Engineer	2,000
Sub-Total	2,000
Finance:	
Mitas Consulting	9,500
Rent Comparability Studies Section 8 HAP	4,950
Sub-Total	14,450
Supported Housing:	
SIL Participation Agreements	3,000
Sub-Total	3,000
Contract Administration:	
Rent Comparability Study Appraisals	14,400
Sub-Total	14,400
TOTAL	\$201,000

EXHIBIT 13
BUILDING UTILITIES

	BUDGET FY 2014
Utilities	\$250,000
Telephone	\$328,000
PILOT - Roebling 637 South Clinton	\$200,000
TOTAL	\$778,000

EXHIBIT 14

BUILDING OPERATIONS

	BUDGET FY 2014
Water and Sewer	12,480
HVAC Maintenance	62,730
Fire Protection Maintenance	4,068
Parts and Replacement	108,500
Janitorial	252,208
Recycling	11,375
Security Service Maintenance	20,750
Security Guard	333,900
Pest Control	1,625
Landscaping	4,000
Snow Removal	60,000
Common Building Operations	18,900
Inergen Suppression Maintenance	9,950
Inspections (Rooftop, Boiler, Fire)	1,779
Repair & Replacement Reserve	0
Elevator	9,089
TOTAL	\$919,000

EXHIBIT 15

EQUIPMENT RENTAL/LEASE

	BUDGET FY 2014
Xerox Nuvera 120EA	38,827
Pitney Bowes Mail Meter	900
Xerox DocuTech	19,676
Ricoh MP5000SP (3Copiers)	6,438
Ricoh MP6001SP (6 Copiers)	21,210
Ricoh MP8001SP (4 Copiers)	18,696
Canon Image Runner C9075 Pro	18,500
Canon Image Runner C2020G	1,518
Ricoh MP6002SP	6,450
Ricoh ML5002SP	2,208
Ricoh MP4001SP	1,467
<i>Contract Administration:</i>	
CANON iR6570 Copier	4,674
TOTAL	\$141,000

EXHIBIT 16

PUBLIC OUTREACH

	BUDGET FY 2014
Printing	20,000
Marketing Events & Outreach	75,500
Memberships	56,000
Media Charges	30,500
Translation Services	500
TOTAL	\$183,000

EXHIBIT 17

CAPITAL ADDITIONS

	BUDGET FY 2014
Vehicles (3)	67,500
Paper Shredder	4,400
File Cabinets (2)	1,600
637 South Clinton Avenue Sub-Total	73,500
TOTAL	74,000

EXHIBIT 18

INFORMATION TECHNOLOGY

	BUDGET FY 2014
<i>Hardware Equipment</i>	139,000
<i>Software Equipment</i>	50,500
<i>Hardware Consulting</i>	30,000
<i>Software Consulting</i>	18,000
<i>Agency-Wide Systems Support Training</i>	18,120
TOTAL	\$256,000

MISCELLANEOUS EXPENSE

	BUDGET FY 2014
Human Resources:	
Temporary Help	30,000
Flexible Spending Accounts	4,000
Article 23 Clothing Allowance	2,100
Employee Recognition & Advisory Services	9,000
HR Sub-Total	45,100
Property Management:	
REAC Inspections	8,000
Single Family:	
Quality Control Credit Reports & Appraisal Services	6,500
Executive:	
General & Administrative Expenses	8,395
TOTAL	\$68,000