



Fiscal Year 2016 Budget

BOARD MEETING

January 21, 2016



Charles A. Richmond
HMFA Chairman

Anthony L. Marchetta
Executive Director



**NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
STATEMENT OF REVENUES AND EXPENSES
FOR FISCAL YEAR 2016**

	BUDGET FY 2015	% OF TOTAL REVENUES	ANNUALIZED 2015	DOLLARS OVER OR (UNDER)	PERCENTAGE OVER OR - UNDER	BUDGET FY 2016	BUDGET 16 VS. 15 PERCENTAGE OVER OR - UNDER	
REVENUES								
Investment Income:								
1	General Fund Mortgage Interest	6,451,000	18%	6,767,356	316,356	4.90%	5,434,000	-15.76%
2	Other Investments	1,831,000	5%	3,280,001	1,449,001	79.14%	3,100,000	69.31%
	Total Investment Income	8,282,000	23%	10,047,356	1,765,356	21.32%	8,534,000	3.04%
Production Revenue:								
3	Section 8 Fees	1,401,000	4%	1,037,840	(363,160)	-25.92%	882,000	-37.04%
4	Low Income Tax Credit Fees	3,708,000	10%	3,900,165	192,165	5.18%	4,467,000	20.47%
5	Single Family Servicing/Origination Fees	2,683,000	7%	3,163,492	480,492	17.91%	2,216,000	-17.41%
6	Conduit Fees	4,863,000	13%	7,553,861	2,690,861	55.33%	6,049,000	24.39%
7	Other Revenues	3,212,000	9%	3,844,665	632,665	19.70%	3,422,000	6.54%
8	HUD Section 8 Contract Administration	10,112,000	28%	10,220,255	108,255	1.07%	10,731,000	6.12%
9	MBS Fees	1,800,000	5%	56,875	(1,743,125)	-96.84%	638,000	-64.56%
	Total Production Revenue	27,779,000	77%	29,777,153	1,998,153	7.19%	28,405,000	2.25%
	TOTAL REVENUES	36,061,000	100%	39,824,509	2,953,509	8.19%	36,939,000	2.43%



	BUDGET FY 2015	% OF TOTAL REVENUES	ANNUALIZED 2015	DOLLARS OVER OR (UNDER)	PERCENTAGE OVER OR - UNDER	BUDGET FY 2016	BUDGET 16 VS. 15 PERCENTAGE OVER OR - UNDER
OPERATING EXPENSES							
Salaries by Division:							
Operations	973,000	3%	850,306	(122,694)	-12.61%	1,046,000	7.50%
Audit	612,000	2%	532,560	(79,440)	-12.98%	677,000	10.62%
Capital Markets	543,000	2%	381,355	(161,645)	-29.77%	538,000	-0.92%
Compliance	216,000	1%	94,500	(121,500)	-56.25%	151,000	-30.09%
Executive	1,468,000	4%	1,671,142	203,142	13.84%	1,517,000	3.34%
Finance	1,348,000	4%	1,294,121	(53,879)	-4.00%	1,345,000	-0.22%
HMFA Multi-Family Property Mgmt	2,370,000	7%	2,276,663	(93,337)	-3.94%	2,473,000	4.35%
HUD Multi-Family Project Management (CA)	1,334,000	4%	1,203,439	(130,561)	-9.79%	1,159,000	-13.12%
Human Resources	468,000	1%	459,900	(8,100)	-1.73%	558,000	19.23%
Information Technology	1,568,000	4%	1,510,953	(57,047)	-3.64%	1,453,000	-7.33%
Insurance	209,000	1%	381,685	172,685	82.62%	337,000	61.24%
Marketing	411,000	1%	312,970	(98,030)	-23.85%	420,000	2.19%
Loan Closings	503,000	1%	589,002	86,002	17.10%	599,000	19.09%
Multi-Family Programs & Lending	505,000	1%	535,412	30,412	6.02%	610,000	20.79%
Credit & Business Development	230,000	1%	238,257	8,257	3.59%	173,000	-24.78%
Regulatory Affairs	614,000	2%	577,731	(36,269)	-5.91%	624,000	1.63%
Single Family Loan Production	2,496,000	7%	2,413,566	(82,434)	-3.30%	2,550,000	2.16%
Supported Housing	474,000	1%	447,465	(26,535)	-5.60%	594,000	25.32%
Tax Credits Allocation & Compliance	658,000	2%	671,749	13,749	2.09%	807,000	22.64%
Technical Services	1,145,000	3%	1,124,773	(20,227)	-1.77%	1,229,000	7.34%
Personnel Reserve	354,000	1%	354,000	0	0.00%	354,000	0.00%
10 Total Salaries	18,499,000	51%	17,921,551	(577,449)	-3.12%	19,214,000	3.87%
Payroll Taxes	1,578,000	4%	1,512,118	(65,882)	-4.18%	1,586,000	0.51%
Health Benefits	5,555,000	15%	4,354,499	(1,200,501)	-21.61%	4,397,000	-20.85%
Dental Insurance	156,000	0%	146,693	(9,307)	-5.97%	150,000	-3.85%
Prescription Insurance & Vision	1,309,000	4%	1,259,982	(49,018)	-3.74%	1,285,000	-1.83%
Pension, Life Insurance	2,095,000	6%	2,243,883	148,883	7.11%	2,396,000	14.37%
Long Term & Temporary Disability	64,000	0%	61,591	(2,409)	-3.76%	65,000	1.56%
Education Assistance	85,000	0%	60,179	(24,821)	-29.20%	60,000	-29.41%
		0					
Total Benefits	10,842,000	30%	9,638,945	(1,203,055)	-11.10%	9,939,000	-8.33%
Total Salaries & Benefits	29,341,000	81%	27,560,496	(1,780,504)	-6.07%	29,153,000	-0.64%

* Budget adjusted for federally funded Homekeeper, Community Development Block Grant & Social Services Block Grant programs.



		BUDGET FY 2015	% OF TOTAL REVENUES	ANNUALIZED 2015	DOLLARS OVER OR (UNDER)	PERCENTAGE OVER OR - UNDER	BUDGET FY 2016	BUDGET 16 VS. 15 PERCENTAGE OVER OR - UNDER
Professional Serv. & Financing Costs:								
11	Legal	955,000	3%	953,752	(1,248)	-0.13%	895,000	-6.28%
	Audit and Accounting	160,000	0%	160,000	0	0.00%	168,000	5.00%
12	Program Consultants	236,000	1%	276,591	40,591	17.20%	303,000	28.39%
	Cash Flow & Bond Financing Consulting	200,000	1%	200,000	0	0.00%	200,000	0.00%
	Delinquent Debt Resolutions	0	0%	767,000	767,000	0.00%	1,900,000	0.00%
	MBS Trustee/Custodian/Commitment Fees	32,000	0%	25,300	(6,700)	-20.94%	50,000	56.25%
	MBS Loan Service / Document Review	0	0%	118,300	118,300	0.00%	278,000	0.00%
	Temporary Services	30,000	0%	43,122	13,122	43.74%	150,000	400.00%
	Housing Affordability Service	25,000	0%	25,064	64	0.26%	27,000	8.00%
	Housing Resource Center	112,356	0%	112,356	0	0.00%	118,000	5.02%
	DCA Unit	471,000	1%	464,984	(6,016)	-1.28%	289,000	-38.64%
	Governor's Authorities Assessment	35,000	0%	35,000	0	0.00%	35,000	0.00%
Total Professional Services & Costs		2,256,356	6%	3,181,469	925,113	41.00%	4,413,000	95.58%
Building Operations:								
13	Utilities	250,000	1%	249,281	(719)	-0.29%	250,000	0.00%
	Telephone	302,000	1%	301,529	(471)	-0.16%	302,000	0.00%
	PILOT - 637 South Clinton Ave	200,000	1%	200,000	0	0.00%	200,000	0.00%
14	Building Operations	1,020,000	3%	1,019,837	(163)	-0.02%	1,028,000	0.78%
Total Building Operations		1,772,000	5%	1,770,647	(1,353)	-0.08%	1,780,000	0.45%
Equipment Leases/Rentals:								
15	Equipment Rental/Lease	159,000	0%	143,311	(15,689)	-9.87%	143,000	-10.06%
	Storage	43,000	0%	42,975	(25)	-0.06%	43,000	0.00%
	Rent Disaster Recovery	4,000	0%	3,600	(400)	-10.00%	4,000	0.00%
Total Equipment Leases/Rentals		206,000	1%	189,886	(16,114)	-7.82%	190,000	-7.77%



	BUDGET FY 2015	% OF TOTAL REVENUES	ANNUALIZED 2015	DOLLARS OVER OR (UNDER)	PERCENTAGE OVER OR - UNDER	BUDGET FY 2016	BUDGET 16 VS. 15 PERCENTAGE OVER OR - UNDER
Other General & Administrative Expenses:							
General Operation:							
ADP/Payroll Services	54,000	0%	53,842	(158)	-0.29%	57,000	5.56%
Bank Fees	256,000	1%	255,060	(940)	-0.37%	256,000	0.00%
Loan Interest / MBS Line of Credit	49,000	0%	88,000	39,000	79.59%	104,000	112.24%
Postage & Couriers	113,000	0%	99,251	(13,749)	-12.17%	100,000	-11.50%
Insurance	640,000	2%	639,686	(314)	-0.05%	755,000	17.97%
Gas, Mileage, Meals, Travel	110,000	0%	109,931	(69)	-0.06%	110,000	0.00%
Automobile Maintenance	51,000	0%	49,649	(1,351)	-2.65%	51,000	0.00%
Total General Operation	1,273,000	4%	1,295,418	22,418	1.76%	1,433,000	12.57%
Supplies:							
Office Supplies	116,000	0%	104,488	(11,512)	-9.92%	105,000	-9.48%
Equipment Maintenance/Supplies	62,000	0%	61,857	(143)	-0.23%	67,000	8.06%
Computer Maintenance/Supplies	714,000	2%	713,982	(18)	0.00%	820,000	14.85%
General Printing/Stationery	15,000	0%	13,426	(1,574)	-10.49%	15,000	0.00%
Total Supplies	907,000	3%	893,753	(13,247)	-1.46%	1,007,000	11.03%
Printing & Advertising:							
16 Public Outreach	183,000	1%	199,655	16,655	9.10%	199,000	8.74%
Advertising	15,000	0%	19,550	4,550	30.33%	20,000	33.33%
Total Printing & Advertising	198,000	1%	219,205	21,205	10.71%	219,000	10.61%



	BUDGET FY 2015	% OF TOTAL REVENUES	ANNUALIZED 2015	DOLLARS OVER OR (UNDER)	PERCENTAGE OVER OR - UNDER	BUDGET FY 2016	BUDGET 16 VS. 15 PERCENTAGE OVER OR - UNDER
Other:							
Subscriptions & Publications	62,000	0%	61,719	(281)	-0.45%	68,000	9.68%
Recertifications and Licenses	10,000	0%	9,966	(34)	-0.34%	10,000	0.00%
Training	78,000	0%	77,858	(142)	-0.18%	80,000	2.56%
Dues and Memberships	9,000	0%	8,996	(4)	-0.04%	12,000	33.33%
Conferences	20,000	0%	19,781	(219)	-1.10%	22,000	10.00%
Miscellaneous	38,000	0%	37,995	(5)	-0.01%	38,000	0.00%
Total Other	217,000	1%	216,315	(685)	-0.32%	230,000	5.99%
Total Other General & Administrative Exp.	2,595,000	7%	2,624,691	29,691	1.14%	2,889,000	11.33%
Operating Contingency	300,000	1%	21,561	(278,439)	-92.81%	300,000	0.00%
17 Capital Additions	143,000	0%	142,550	(450)	-0.31%	59,000	-58.74%
18 Information Technology	1,544,000	4%	1,543,950	(50)	0.00%	1,455,000	-5.76%
19 Bond Issue Reimbursement	(2,730,000)	-8%	(3,540,000)	(810,000)	29.67%	(4,200,000)	53.85%
TOTAL OPERATING EXPENSES	35,427,356	98%	33,495,250	(1,932,106)	-5.45%	36,039,000	1.73%
Hardest Hit Program Reimbursements *	162,255	0%	278,014	115,759	71.34%	101,246	-37.60%
Superstorm Sandy CDBG Reimbursements**	1,638,775	5%	1,652,029	13,254	0.81%	1,144,096	-30.19%
Social Services Block Grant RAP Reimbursements***	0	0%	399,133	399,133	0.00%	217,322	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.							
*** The Social Services Block Grant Rental Assistance Program is being implemented by HMFA therefore the Agency is reimbursed for Administrative expenditures and will conclude upon program completion.							
NON-BONDED PROGRAM EXPENSES							
Single Family Construction Program	557,644	2%	5,994,307	5,436,663	974.93%	540,000	-3.16%
TOTAL NON-BONDED PROGRAM EXP.	557,644	2%	5,994,307	5,436,663	974.93%	540,000	-3.16%
TOTAL REVENUES	36,061,000	100%	39,824,509	3,763,509	10.44%	36,939,000	2.43%
NET INCREASE IN CASH	76,000	0%	334,952	258,952	340.73%	360,000	373.68%

EXHIBIT 1

MORTGAGE REVENUES (GENERAL FUND)

			BUDGET FY 2016
SINGLE FAMILY			
Non-Bond Funding			573,222
MULTI-FAMILY			
	NAME	COUNTY	
34	Greater Englewood	Bergen	7,313
277	Penn Village	Salem	50,321
281	Eggert's Crossing	Mercer	119,230
298*	Grogan Marineview	Hudson	274,387
321	New Hope	Newark	6,785
364*	Charc	Essex	197,288
408*	Hamilton Seniors	Mercer	148,721
472	Audubon Towers	Camden	123,553
513	Bayshore Village	Monmouth	41,890
539*	Leonias Seniors Phase I	Bergen	121,286
561	INCCA Carroll St.	Passaic	9,510
569	Marian Manor	Essex	109,448
598*	Erie Lackawanna	Essex	245,602
882	Sebastian Villa	Monmouth	27,114
926	Hall's Corner	Union	381,986
935	Salem Towers	Essex	292,165
10983	Oakwood Plaza	Union	129,065
10442	Edward K Gill Apts	Union	169,656
1058*	Metropolitan Plaza	Atlantic	153,777
1104*	Resurrection House	Hudson	1,015
1120	Clinton Park	Mercer	17,128
1127	Ethel Lawrence	Burlington	36,056
1129*	Runsen House	Camden	29,074
1130	Tiffany Manor	Essex	11,222
1190	Summer Hill	Passaic	17,274
1251	Monastery	Mercer	42,500
1275	Mews at Collingwood Park	Monmouth	12,746
1280	Bright Side Manor	Bergen	3,209
1327	Dr. King Plaza	Essex	7,184
1379	McKenna House	Hunterdon	5,781
1381	Brick Church Commons	Essex	185,358
1401	Beverly Commons	Burlington	38,582
1427	Salem Senior Village	Salem	71,721
1435	Union Avenue	Union	46,548
1442	Samuel L. Miller	Burlington	1,112
1444	East Grand Street	Union	18,448
1447	Walnut Manor	Cumberland	125,516
1455	Elm Street	Essex	36,112
1458*	Ehrhart Gardens	Union	451,487
1468*	Brownstone Properties	Essex	63,141
1476	Bayonne Community	Hudson	57,112
1477	Hill Bowl	Essex	17,637
1494	Palmer Street Development	Union	26,710
2199	Scudder Homes Family	Essex	16,551
2214	Stafford Park Apts	Ocean	244,595
2279	Tanyard Oaks	Gloucester	44,867
2286	Berry Street Commons	Somerset	212,815
2325*	450 Ocean Avenue	Hudson	51,803
2516	Whitney Cresant	Gloucester	76,781
12353	55 Glenridge Avenue	Essex	6,033
12413	Harmony Square	Essex	50,213
12501	The Juliet	Sussex	2,954
12555	84 First Street	Union	19,859
12663	Bergen Court	Hudson	2,854
SL#3	51 Parkview	Essex	6,109
CH	Cluster		193,227
Sub-Total			4,860,432
GRAND TOTAL			\$5,434,000

* Represents 1st mortgages

EXHIBIT 2

OTHER INVESTMENTS

	BUDGET FY 2016
General Fund (1.36%)	3,099,854
TOTAL	\$3,100,000

EXHIBIT 3

SECTION 8 ADMINISTRATIVE FEES

PROJECT BASED & EXISTING PROGRAMS

	DEVELOPMENT	BUDGET FY 2016
HMFA #	458 Prospect Park Apts	\$118,544
	509 Minnisink Village	\$90,707
	951 Woodbury Oakwood Associates	58,824
	983 Pierce Manor	280,800
	1084 Chestnut	332,634
	Project Based Program Sub-Total	\$881,509
	Total Section 8 Fees	\$882,000

EXHIBIT 4

LOW INCOME TAX CREDIT FEES

	BUDGET FY 2016
Application Fees	
<i>Applications</i>	87,500
<i>Re-application</i>	300
Allocation/Monitoring Fees	
<i>1% of Allocated Tax Credit X 15 years</i>	2,154,395
<i>1% New Issuance Tax Credit</i>	2,085,260
Extension Fees	
<i>Late Carryover Submissions</i>	10,000
Monitoring Fees	
<i>New Projects</i>	130,000
TOTAL	\$4,467,000

EXHIBIT 5

SINGLE FAMILY SERVICING FEE REVENUES

	BUDGET FY 2016
MRB Service Fees (Note 1)	1,091,914
PFRS Service Fees	554,400
Origination Fees	463,000
Other Program Fees	107,000
TOTAL	\$2,216,000

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

EXHIBIT 6

CONDUIT BOND FEES

**BUDGET
FY 2016**

2016 New Conduit Bond Projected Fees:

Issuance Fee @ .50%

1,321,407

Construction Loan Commitment Fee @ 2%

2,251,629

Recurring Annual Conduit Fees 2011 - 2015 Projects

2,475,674

TOTAL

\$6,049,000

EXHIBIT 7

OTHER REVENUES

	BUDGET FY 2016
Supplemental Mortgage Admin. Fee	2,555,909
Application Fees Multi-Family	174,000
Housing Affordability Service (HAS) Fees	152,000
Supported Housing 811 HUD Fees	134,544
PHA Monitoring Fees	116,629
Transfer of Ownership/ Ground Lease Fees	40,000
Sale of Solar Renewable Energy Credits	50,000
Miscellaneous Fees	198,978
TOTAL	\$3,422,000

EXHIBIT 8

HUD SECTION 8 CONTRACT ADMINISTRATION

Basic Fee (343 contracts)

BUDGET
FY 2016

\$10,731,000

EXHIBIT 9

MBS PROGRAM

	BUDGET FY 2016
Sales Net Income	450,000
Warehouse Interest Income	187,500
TOTAL	\$638,000

EXHIBIT 10

PROJECTED HEADCOUNT

	HEADCOUNT BUDGET FY 2016	SALARY BUDGET FY 2016
Headcount	278	\$18,048,849
Vacancies	9	514,875
SUBTOTAL	287	18,563,724
Proposed New Positions	15	650,276
PROPOSED TOTAL HEADCOUNT & SALARY	302	19,214,000
CDBG Positions *	15	828,368

* CDBG program staff salaries are reimbursed from CDBG funds.

EXHIBIT 11

LEGAL

	BUDGET FY 2016
Office of Administrative Law	30,000
MBS Legal Fees	40,000
Legal Professional Services	75,000
Labor Counsel Services	75,000
Liquidity Facilities Legal Fees	55,000
Legal Services from the Office of the Attorney General (4 DAGs)	619,970
TOTAL	\$895,000

EXHIBIT 12

PROGRAM CONSULTANTS

	BUDGET FY 2016
Capital Markets:	
GASB 53 Derivative	36,000
S&P General Obligation Rating	25,000
SWAP Advisor QIR CFTC	25,000
Arbitrage Rebate Liability Calculation	10,000
Sub-Total	96,000
Tax Credits:	
Market Studies	41,000
9% Applications Land Appraisals	15,600
Compliance Training Seminars	19,700
Sub-Total	76,300
Credit Business Development:	
Delinquent Asset Appraisals	65,000
Sub-Total	65,000
Multi Family Program & Lending	
Market Studies	20,000
Sub-Total	20,000
MBS	
Peak Performance Consultant	40,000
Sub-Total	40,000
Finance:	
Rent Comparability Studies Section 8 HAP	2,500
Sub-Total	2,500
Supported Housing:	
SIL Participation Agreements	3,000
Sub-Total	3,000
TOTAL	\$303,000

EXHIBIT 13

BUILDING UTILITIES

	BUDGET FY 2016
Utilities	\$250,000
Telephone	\$302,000
PILOT - Roebling 637 South Clinton	\$200,000
TOTAL	\$752,000

EXHIBIT 14

BUILDING OPERATIONS

	BUDGET FY 2016
Water and Sewer	12,480
HVAC Maintenance	62,730
Fire Protection Maintenance	11,749
Parts and Replacement	140,000
Janitorial	249,000
Recycling	12,248
Security Service Maintenance	35,250
Security Guard	351,000
Pest Control	1,625
Landscaping	4,000
Snow Removal	90,000
Common Building Operations	18,900
Inergen Suppression Maintenance	10,517
Inspections (Rooftop, Boiler, Fire, Air)	10,715
Repair & Replacement Reserve	9,000
Elevator	8,505
Sub-Total	786,359
 650 South Broad St. Operating Expenses	 242,000
TOTAL	\$1,028,000

EXHIBIT 15

EQUIPMENT RENTAL/LEASE

	BUDGET FY 2016
Xerox Nuvera 120EA	33,639
Xerox MFF100 Nuvera	16,252
Canon Image Runner C9280 Advanced Pro	13,300
Canon Image Runner C2020G	1,700
Ricoh MP4002SP (1 Copier)	2,414
Ricoh MP4054SP (2 Copiers)	5,154
Ricoh MP5054SP (1 Copier)	6,114
Ricoh MP5000SP (1 Copier)	2,577
Ricoh MP5002SP (2 Copiers)	6,069
Ricoh MP6001SP (2 Copiers)	7,044
Ricoh MP6002SP (7 Copiers)	30,499
Ricoh MP8001SP (1 Copier)	4,692
Ricoh ML7502SP (1 Copier)	4,431
Ricoh MP9002SP (1 Copier)	5,469
Pitney Bowes Mail Meter	900
<i>Contract Administration:</i> Ricoh MP8001SP	3,057
TOTAL	\$143,000

EXHIBIT 16

PUBLIC OUTREACH

	BUDGET FY 2016
Printing	16,000
Marketing Events & Outreach	97,175
Memberships	59,615
Media Charges	24,000
Translation Services	2,500
TOTAL	\$199,000

EXHIBIT 17

CAPITAL ADDITIONS

	BUDGET FY 2016
Vehicles (2)	38,000
Pitney Bowes Mail Machine	21,000
637 South Clinton Avenue Sub-Total	59,000
TOTAL	59,000

EXHIBIT 18

INFORMATION TECHNOLOGY

	BUDGET FY 2016
<i>Hardware Equipment</i>	151,500
<i>Software Equipment</i>	425,000
<i>Hardware Consulting</i>	100,000
<i>Software Consulting</i>	745,000
<i>Agency-Wide Systems Support Training</i>	33,500
TOTAL	\$1,455,000

EXHIBIT 19
BOND ISSUE REIMBURSEMENT

BUDGET
FY 2016

Multi Family Bond Resolution

(4,200,000)

MISCELLANEOUS EXPENSE

	BUDGET FY 2016
Human Resources:	
Flexible Spending Accounts	5,100
Article 23 Clothing Allowance	2,100
Employee Recognition & Advisory Services	10,000
HR Sub-Total	17,200
Property Management:	
REAC Inspections	8,000
Single Family:	
Quality Control Credit Reports & Appraisal Services	11,000
Executive:	
Fannie Mae Fee	1,000
General Use	1,000
	2,000
TOTAL	\$38,000