MEMORANDUM......NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Date: December 20, 2024

To: Donna Spencer, Director of Multifamily/Supportive Housing and Lending

From: Katone Glover, Director of Asset Management Kg

Subject: Multifamily Operating Expense Minimums

Management Fee - (Increased by the Agency based on current CPI Index)

• \$68 - \$80 per unit per month

Insurance - NO CHANGE

- 2 Stories and below \$500 per unit
- 3 Stories and above \$550 per unit

Reserve for Repairs and Replacement - NO CHANGE

- <u>Under fifty (50)</u> units for rehabilitation or new construction at five hundred twenty-five (\$525) per unit.
- Projects of <u>fifty (50) units or more</u> at four hundred forty **(\$440)** per unit for family new construction.
- Projects of <u>fifty (50) units or more</u> at three hundred ninety (\$390) per unit for senior new construction.
- Projects of <u>fifty (50)</u> units or more at four hundred forty (\$440) per unit for senior rehabilitation.
- Projects of <u>fifty (50) units or more</u> at four hundred ninety (\$490) per unit for family rehabilitation.

Administrative Expenses

- Auditing Cannot exceed the "base fee" which is \$18,925.
- Bookkeeping/Accounting & Computer Charges are applicable to the preparation of Monthly/Quarterly Operation Reports and when combined, cannot exceed \$8.32 per unit per month, but not to exceed \$1,280 per month.(effective Jan. 1, 2025)

Salaries and Related Charges - NO CHANGE

 Developments of <u>fifty (50)</u> or <u>more units</u> should have a Site Manager and at a minimum a Superintendent.

Benefits and Payroll estimates:

- Benefits between 15% and 30% of the total salaries.
- Payroll Taxes 10% of the total salaries.
- Worker's Compensation between 2% and 3% of the total salaries.