

### Exhibit 3 – Development Budgets/Funding Sources

This Exhibit has been developed in Microsoft Excel 2003. **The spreadsheet** is locked and password protected. Please review the following before beginning this exhibit:

- Enter data as outlined in the exhibit instructions in the **yellow** spreadsheet boxes. All other boxes contain calculated entries or protected text;
- Comments to aid with data entry have been inserted into this sheet. Moving your cursor over cells with a **red** arrow will reveal the comment;
- Drop-down lists are used throughout the spreadsheet. Left clicking inside a comment cell will reveal the drop-down arrow. Click on the arrow, and select the appropriate option.
- **Printing:** This spreadsheet template was developed for use with a color printer. To print using a black and white printer, change the print setting as follows: (File→Print→Properties→Advanced→Enable black and white printing).
- The print margins have been protected and cannot be adjusted (printing instructions are listed at the bottom of each Tab spread sheet).
- If you have seven or fewer funding sources, print only pages 1 through 3 and page 4 if you have comments. If you have more than seven funding sources, print pages 5, 6 and 7 as well.
- **If you are proposing different funding source scenarios for the same project (for example, with HTF and LIHC vs. LIHC alone), you must submit two separate applications.**
- If you experience difficulty inputting data or viewing your entries, use the “zoom” feature of the Excel software.

This Exhibit consists of three sections. The first section is required to be completed; the second is only required if you entered costs in the Development Budget for items labeled, “other”. The third section is to be used in preparing Exhibit 9C. The sections are:

1. Financing Sources and Development Budget (Tabs 1.1 – through 1.5);
2. Detail (Tabs 2.1 through 2.5);
3. Qualified Basis Worksheets (Tabs 3.1 and 3.2).

Sections 1 & 2 are comprised of five tabs – one for each of the following types of construction: residential, commercial, civic, community service facility, and one project summary. Complete and submit each section of this exhibit for each type of construction that this project encompasses as indicated in Exhibit 1, Section G of this Application. If the project involves only one type of construction, for example, residential, you need only complete the residential budget sections. If the project is mixed-use, you must complete and submit the sections for all pertinent types, as well as the summary sections. See the examples below for clarification.

Example 1: Your project involves residential construction only. You must submit Tab 1.1 and if you entered amounts in lines 24, 30, 47, or 48 of Tab 1.1, you must also complete and submit Tab 2.1.

Example 2: Your project involves residential and community service facility construction. You must complete and submit Sections 1.1, 1.4 and 1.5 and, if applicable, Sections 2.1., 2.4 and 2.5.

The spreadsheet has been designed so that the summaries (1.5 and 2.5) are done automatically as you update the various cells.

### **Exhibit Instructions**

#### **Section 1 – Project Financing:**

If your project includes:

Residential Construction: complete and submit Tab 1.1;

Commercial Construction: complete and submit Tab 1.2;

Civic Construction: complete and submit Tab 1.3;

Community Service Facility Construction: complete and submit Tab 1.4

If your project is any combination of the types of construction listed above, also submit Tab 1.5: Project Financing Summary.

#### **A. Construction Cost Basis**

1. Indicate whether or not the total construction cost is based upon a guaranteed price contract.

2. Select the wage rate that the total construction cost is based on. Projects with 9 or more units utilizing project-based vouchers, or HOME-assisted projects with 12 or more units must choose the appropriate Davis-Bacon wage rate.

#### **B. Funding Sources**

**Special Note for Mixed Use Projects: This spreadsheet is designed to produce a summary Exhibit based on the data entered. In order for the summary page to work correctly, you must enter all source codes and if necessary, source names for each type of construction (residential, commercial, civic and CSF) onto the Project Financing Residential Tab 1.1 Section B1 & 2, column A. If any of the sources of funds for the other construction types, i.e., commercial, civic or community services facility are not the same as the residential sources of funds, add the source code but leave Amount of Funds (Column C.) blank on the Residential worksheet (Tab 1.1). All source codes and source names entered in Column A of this Tab will be automatically repeated for each project type. Enter the amount of funds for each applicable project type (including zeroes where applicable). The source codes and source names listed under B2 Permanent Financing Sources will automatically become the column headings on each page of the Development Budget.**

##### **1. Construction Financing Sources**

Complete Table B1 by selecting the appropriate funding source code from the drop-down list provided in the spreadsheet for this portion of the project (residential, commercial, civic or CSF) and filling in each column associated with that source. Enter all of the construction funding sources into the spreadsheet tab labeled 1.1 Fin\_Res. If there are multiple budgets, complete a Summary Table for all sources of construction

financing. **The total construction funding sources must be equal to Section C, Line 54, Column C of this Exhibit (Development Budget), and must be equal to the total permanent funding sources listed in Table B2 of this Exhibit.**

**PLEASE NOTE:**

- Carefully review the funding source codes listed below prior to completing this Section. If none of the specific codes listed are applicable to one of the funding sources, select one of the generic codes, and enter the source/program name in Column B.
- The annual amount of the tax credit allocation for LIHC/SLIHC will not be included as a funding source. Instead, enter Tax Credit Equity (source code 4002 for DHCR tax credit equity or 4009 for non-DHCR tax credit equity) as a funding source.

**Column A– Source Code:** For each source of construction financing, select the applicable code from the drop down box. Codes are listed according to source type (DHCR/HTFC, Federal Government, Local Government, Non-DHCR State Government, and Private). The last grouping is Generic Source Codes. If you cannot locate a code in one of the other categories that specifies a project financing source, select the code from the generic funding source codes list that best describes the source of financing, and specify the source’s name in Column B.

- If you are receiving HOME funds from a Participating Jurisdiction, please use source code 2103 (HUD - HOME PARTICIPATING JURISDICTION) and not 3101 (County Government). Use Column B (Source Name) to specify name of the PJ.

**Column B- Source Name:** This Column must be filled in for each of the codes listed below that asks for you to specify the source. For example, if you select source code 2000 Federal Program in Column A, you must enter the name of the Program in Column B; or, selecting 2103 HUD HOME Participating Jurisdiction, requires you to enter the name of the HOME PJ in Column B. You may leave this Column blank for those source codes where no specification is required below.

**DHCR/HTFC FUNDING SOURCE CODES:**

- GOSC CDBG (Gov’s Office of Small Cities)
- HDF (Housing Development Fund)
- HOUSE NY
- HTF (Housing Trust Fund Program)
- HOME (NYS HOME Program)
- NYMS (New York Main St. Program)
- RARP (Rural Area Revitalization Program)
- UI (Urban Initiatives Program)

**FEDERAL GOVERNMENT FUNDING SOURCE CODES:**

- 2001 HUD 202
- 2050 FHA INSURED MORTGAGE LOAN (specify lender in Column B)
- 2101 HUD CDBG
- 2103 HUD - HOME PARTICIPATING JURISDICTION (specify in Column B)
- 2104 HUD HOPE VI

- 2250 HUD - MCKINNEY
- 2401 USDA RURAL DEVELOPMENT 515
- 2404 USDA 538 INSURED MORTGAGE LOAN (specify lender in Column B)
- 2403 RURAL DEVELOPMENT OTHER (Specify in Column B)

**LOCAL GOVERNMENT FUNDING SOURCE CODES:**

- 3101 COUNTY GOVERNMENT (specify in Column B)
- 3201 PERMANENT HOUSING HOMELESS (NYC)
- 3301 IDA (specify in Column B)
- 3302 PHA (specify in Column B)
- 3401 NYC HPD Program (specify in Column B)
- 3501 NYC HDC Program (specify in Column B)

**NON-DHCR STATE GOVERNMENT FUNDING SOURCES:**

- 5006 HFA SUBSIDY PROGRAM
- 5010 NYS ENERGY RESEARCH DEVELOPMENT AUTHORITY
- 5011 HFA BOND FINANCING
- 5200 OMH CAPITAL
- 5300 OMRDD CAPITAL
- MIF SONYMA INSURED MORTGAGE LOAN (specify lender in Column B)

**PRIVATE FUNDING SOURCE CODES:**

- 4002 EQUITY – TAX CREDIT - DHCR
- 4003 EQUITY – OTHER (specify in Column B)
- 4005 EQUITY – 421A CERTIFICATES
- 4006 DEFERRED DEVELOPER FEES
- 4007 DEFERRED CAPITALIZED RESERVES/WORKING CAPITAL
- 4008 DOWN PAYMENTS (CONDOS/COOPERATIVES)
- 4009 TAX CREDIT EQUITY – NON-DHCR
- 4101 FEDERAL HOME LOAN BANK AHP

**GENERIC FUNDING SOURCE CODES:**

- 2000 FEDERAL PROGRAM (specify in Column B)
- 3000 LOCAL GOVERNMENT (specify in Column B)
- 4000 PRIVATE SOURCE (specify in Column B)
- 4001 LENDING INSTITUTION (specify in Column B)
- 4004 PRIVATE SUBSIDY (specify in Column B)
- 4100 NON-PROFIT LENDER (specify in Column B)
- 5000 STATE PROGRAM (specify in Column B)

**Column C - Amount of Funds:** Enter the dollar amount of funds requested or committed from the source. (Remember, if the source is not financing the type of construction for the tab you are working on, enter 0 and enter the amount on the appropriate budget).

Column D - Type: Select one of the following financing types from the drop-down box:

1. Loan
2. Grant
3. Other (Equity)

4. Other – This is used to record financing types which are not loans, grants or equity. For example, equity realized from the syndication of tax credits, owner equity, equity from historic tax credits, deferred developer fees, deferred capitalized reserves/working capital, or down payments from owners of condominium/cooperative units.

Column E - Term: Enter the financing term through cost certification in months. Select N/A if not applicable.

Column F1- Interest Rate: Enter the applicable interest rate, or N/A if not applicable.

Column F2 - Interim Interest: If applicable, enter the amount of anticipated interim interest for each construction loan. This entry will be transferred to Line 16 Column A of the Development Budget. You are allowed to enter an amount only if the Financing Type in Column D is “Loan”.

Column G - Lien Position: Enter the proposed lien position for the funding source in the event of a default on a mortgage and note. Enter N/A if not applicable.

Column H - Regulatory Term: Enter the regulatory term for the funding source, or N/A if not applicable.

## 2. Permanent Financing Source

Complete Table B2 as instructed above for each source of **permanent** financing for this portion of the project (residential, commercial, civic or CSF). Enter the source codes in the same order that they were entered in Table B1 (construction financing). Permanent financing source codes and source names will be transferred to Section C Development Budget. **The total permanent funding sources must be equal to the total construction sources and to the total project cost entered in Section C, Line 54, Column C (Total Project Cost) of this Exhibit Development Budget.**

### C. Development Budget:

If your project includes:

- Residential Construction: complete and submit Tab 1.1;
- Commercial Construction: complete and submit Tab 1.2;
- Civic Construction: complete and submit Tab 1.3;
- Community Service Facility Construction: complete and submit Tab 1.4

If your project is mixed-use (any combination of the above), review and submit Tab 1.5, Summary Financial Sources.

## **Development Budget**

### **Columns:**

Column A lists the development costs associated with a typical project. The permanent funding source codes and source names entered in Tab 1 (permanent financing sources) will be transferred to the Development Budget and will appear as column headings under Column B (Sources). The sources codes and source names will be displayed for every funding source in the project.

For each applicable line item in Column A, enter the amount of funds to be contributed by each source listed under Column B. For mixed-use projects, only enter costs under the applicable funding source code. If no funds were made available from that funding source for the construction type budget you are working on (residential, commercial, civic or CSF), leave that column blank. Column C will automatically total each line item.

**NOTE: If you have more than seven (7) funding sources, Column C will include amounts from these sources as well (from pages 6 & 7).**

**Line Items:** Where line items are self-explanatory, instructions are not included. Where clarification is helpful, instructions are provided below.

### **a. Acquisition (lines 1 – 3):**

1. Land: the acquisition cost of the land **only**.
2. Structures: the acquisition cost of any buildings on the land.
3. Total Acquisition: This line will be automatically totaled (lines 1 – 2 for each source).

### **b. Soft Costs (lines 4 – 25):**

See Section 5.00 of the CPM (Development Requirements) before completing this Section for definitions and information regarding allowable fees and interim costs to be charged for DHCR/HTFC construction loans to private developers on tax credit projects. If applicable, remember to pro-rate soft costs attributable to non-residential space in the project.

4. Appraisals: See Section 5:03.03 of the CPM.

5. Housing Consultant: This may be up to one percent of Line 44 (Total Development Cost), not to exceed \$20,000.

9. Architecture/Engineering Fee: General guidelines for this line item are as follows: Up to 15% of total construction costs (TCC) (line 41) will be allowed for small-scale, highly complex, historic preservation projects, while larger, new construction projects are generally limited to 5% of TCC.

10. Construction Manager Fee: This may be up to 5% of TCC (line 41). This fee may only be attributed to projects without a general contractor. If you enter an amount in this line item, you may not also enter amounts in Builder's Overhead (line 39) or Builder's Profit (line 40). See Section 5.05 of the CPM and the Design Handbook for more.

11. Legal Fees: Generally limited to one percent of the TDC, depending on the attorney's specific responsibilities.

12. Non-Profit Developer's Allowance (NPDA): This may be paid only when the developer is a non-profit organization, and the project will be owned and operated on a non-profit basis. Developers of seed money projects cannot claim the NPDA. (See Section 5.05 (vii) of the CPM for more on the NPDA).

16. Interim Interest: In Column A, the total amount of anticipated interim interest from Project Financing, Table B1, Column F2, will automatically be entered. Allocate Interim Interest amounts to the appropriate Funding Source columns.

21. LIHC/SLIHC Application Fee: Enter a \$2,000 fee for each tax credit program requested on the Application.

22. LIHC/SLIHC Credit Allocation Fees: Enter a 6% allocation fee for each request (calculated pursuant to Section 2040.3(c) of DHCR's 2008 Qualified Allocation Plan (QAP).

23. Other DHCR/HTFC Fees: Applicants requesting DHCR/HTFC construction financing should refer to Section 5.12 of the CPM for guidance on construction financing fees.

24. Other Soft Costs: If you enter an amount for other soft costs in this line, such as costs for preparing a Phase I Environmental Site Assessment or other environmental study, specify the cost(s) in the appropriate Tab 2 (Details) of this Exhibit.

25. Total Soft Costs: This line will be automatically totaled (lines 4 – 24 for each source).

**c. Construction Costs (lines 26 – 44):**

Enter the projected cost for each applicable construction line item. "Lump sum" totals are not allowed. Items such as off-site work, demolition, builder's profit, overhead, general requirements, etc. must be specified. Appliances, if part of the construction contract, should be included in the line item of the space in which they will be installed - for example, the cost of stoves for individual residential units should be placed in Line 32 - residential.

26. Site Work: the cost of site preparation.

27. Off-Site Work: DHCR/HTFC Programs will only fund off-site costs directly associated with the project. Contact your regional office in advance of application submission if you have questions regarding this line item.

28. Demolition: Only demolition that takes place on the project site is an eligible cost.

29. Environmental Remediation: Include asbestos removal and lead-based paint hazard control on this line.

30. Other Construction Costs: Specify any costs entered on this line item in the space provided in the appropriate Tab 2 (Details) of this Exhibit.

31. Subtotal – Site Preparation: This line will be automatically totaled (lines 26 – 30 for each source).

32 – 34. Residential/Civic or CSF/Commercial Construction: Complete only the line that corresponds to the type of budget you are completing.

36. Performance Bond: Generally between one and two percent of Line 37 (Subtotal Contractor's Cost).

37. Subtotal – Contractor's Cost: This line will be automatically totaled (lines 31 – 36 for each source).

38. General Requirements: A maximum of six percent of line 37.

39. Builder's Overhead: A maximum of four percent of line 37.

40. Builder's Profit: A maximum of ten percent of Line 37

41. Total Construction Costs: This line will be automatically totaled (lines 37 - 40 for each source).

42. Project Contingency: The amount to be set-aside for all construction-related costs and estimates that represent an amount which is up to ten percent of the sum of lines 25 (Total Soft Costs) and 37 (Subtotal Contractor's Cost) for rehabilitation projects and small project initiatives and up to five percent for typical new construction projects.

43. LIHC/SLIHC Developer's Fee: This fee can only be claimed if the project includes tax credits, and only on residential or Community Service Facility construction. It is limited to a maximum of ten percent of the sum of line 3 (total acquisition) plus a maximum of 15% of the sum of lines 25 (Total Soft Costs), 41 (Total Construction Cost) and 42 (Project Contingency). Be aware that if the project is being developed jointly by a non-profit and a for-profit developer, **the budget may not reflect both this fee and the NPDA on line 12**. A single developer's fee may be claimed for any given project, and division of the fee is subject to negotiation between the parties. (See Section 5.05 (vii) of the CPM for more on the NPDA).

44. Total Development Cost (TDC): This line will be automatically totaled (sum of lines 3, 25, 41, 42, and 43 for each source listed in Column B).

**d. Working Capital (lines 45 – 49):**

Enter all operating costs from the time of substantial completion through the first six months of project operation, including but not limited to: real property taxes, insurance, utility fees, management fees, advertising and marketing.

**HTF Applicants:** This program may establish a working capital fund for itemized and approved costs of up to two percent of Total Development Costs (line 44, column C).

**HOME Applicants:** Eligible costs for projects that are new construction/substantial rehabilitation, include the cost of funding an initial operating deficit (working capital) to meet any shortfall in project income during the period of rent-up, which may not exceed 18 months.

45. Initial Operating Deficit: Enter the estimated shortfall between operating expenses and operating income from the time of initial rent-up through full rent-up for a period not to exceed 18 months. Expenses should include all applicable debt service.



46. Supplemental Management Fee and Marketing: Enter the costs for management and marketing fees from initial rent-up through full rent-up for a period not to exceed 18 months.

47. Purchase of Maintenance and Other Equipment: Enter any estimated amounts necessary to purchase needed and appropriate maintenance and other equipment. Specify any costs entered on this line item in the space provided in the appropriate Tab 2 (Details) of this Exhibit.

48. Other Working Capital: Specify any costs entered on this line item in the space provided in the appropriate Tab 2 (Details) of this Exhibit.

49. Total Working Capital: This line will be automatically totaled (Lines 45 through 48) for each source listed in Column B (Funding Sources).

**e. Project Reserves: (lines 50 through 53):**

50. Capitalization of Operating Reserves: Capitalization of the operating reserves may be from LIHC proceeds equity only, unless they are capitalized by a non-DHCR/HTFC source. HTF/HOME projects with LIHC and/or SLIHC must fund an operating reserve based upon a minimum investment of the lesser of one percent of TDC (line 43, column C), or 50% of gross rents.

51. Replacement Reserve: A replacement reserve is used to replace major items and systems over the life of the building, including but not limited to: flooring, appliances, plumbing fixtures, heating equipment, roof systems, windows, doors, cabinetry and site apparatus. Applicants may request HTF funds to capitalize, or partially capitalize a replacement reserve only if it is not economically feasible for the project to support the “standard” annual contribution to the replacement reserve from operating income.

52. Reserve for Adapting Units: DHCR/HTFC will recognize the capitalization of up to \$4,000 per unit to be set aside to cover the post-construction cost to fully adapt an accessible residential unit to meet the specific needs of a prospective handicapped household. See Section 5.05 of the CPM for further information.

53. Total Project Reserves: This line will be automatically totaled (lines 50 through 52) for each source listed in Column B.

54. Total Project Costs: This line will automatically be totaled (the sum of lines 44, 49 and 53) for each source listed in Column B.

**Section 2 – Details**

If your project includes:

Residential Construction: complete and submit Tab 2.1, if applicable;

Commercial Construction: complete and submit Tab 2.2, if applicable;

Civic Construction: complete and submit Tab 2.3, if applicable;

Community Service Facility Construction: complete and submit Tab 2.4, if applicable.

If your project is mixed-use, any combination of the above, review and submit Tab 2.5, Detail Summary.

This section is used for the itemization of “Other” costs entered in the development budget. If you entered an amount in Line 24 (Other Soft Costs), complete Section A of this Table. If you entered an amount in Line 30 (Other Construction Costs), complete Section B of this Table. If you entered an amount in Line 47 (Purchase of

Maintenance & Other Equipment) and/or Line 48 (Other Working Capital), complete Section C of this Table. Enter a short description of the cost(s) and the amount associated with the cost.

### **Section 3 – Exhibit 9C LIHC**

This form can also be found in Exhibit 9. Either form is acceptable but this version pre-fills important information directly from the Residential Development Budget or the CSF Development Budget. Submit this form or use it as a worksheet for filling out Exhibit 9.

#### **Tab 3.1 – Determination of Qualified Basis Worksheet**

This worksheet is used to determine how the qualified basis of the building(s) is derived from actual residential expenditures. **It should reflect expenses only for the residential portion of the building(s).** If there are multiple qualified low-income buildings in the project, an appropriate means should be used to distribute expenditures for eligible common facilities between buildings (e.g., proportion of the eligible residential floor space attributable to each building).

##### **a. Columns**

Column A – Project Costs and Adjustments: Lists project costs and adjustments, both reductions and increases.

Column B – Actual Costs: Enter the actual or expected costs of each line item, if applicable, from the corresponding Exhibit 3 Development Budget categories.

Column C – Adjustments to Eligible Basis: Enter all adjustments to reduce the eligible basis for each line item, if applicable.

Columns D & E – Eligible Basis by Credit Rate Type: Enter the dollar amounts of eligible basis for the building(s) under either Column D (30% Present Value) or Column E (70% Present Value (PV)), if applicable.

##### **b. Line Items**

Acquisition: This Section will calculate the actual costs, reduction in eligible basis, and eligible basis for the costs of acquisition, excluding land.

1. Cost of Land Only: The amount from line 1 of the Development Budget will be imported into Column B and Column C, Adjustments to Eligible Basis.

2. Acquisition Costs (excluding Land): The amount from line 2 of the Development Budget will be imported into Column B. Enter any adjustments to the eligible basis in Column C. Column D will be calculated automatically from Columns B and C. (Note: Acquisition may not be claimed at the 70% PV basis.)

Reductions to Eligible Basis for Acquisition of Buildings: This Section will calculate any reductions in eligible basis for acquisition.

3, 4 and 5. Enter any reductions in eligible basis for each applicable line item.

6. Total Building Acquisition Actual Costs, Adjustments and Eligible Basis: Calculations will be done automatically as follows:

Column B will be the sum of Lines B1 and B2.

Column C will be the sum of Lines C1 through C5.

Column D will be the sum of Line B6 minus Line C6.

Construction Improvements – Actual Costs, Adjustments and Eligible Basis: This Section will calculate actual costs, reductions in eligible and eligible basis for construction/rehabilitation improvements.

7. Imports Line 25, minus the sum of Lines 21 & 22, from Column B of the Residential Development Budget. Enter any reductions to eligible basis in Column C, if applicable. Enter the adjusted eligible basis (Column B – Column C) in Column D. Column E will be calculated automatically.

7a. Imports the sum of Lines 21 & 22 from Column B of the Residential Development Budget. Enter any reductions to eligible basis in Column C, if applicable. Enter the adjusted eligible basis (Column B – Column C) in Column D. Column E will be calculated automatically.

8. Imports Line 41 from Column B of the Residential Development Budget. Enter any reductions to eligible basis in Column C, if applicable. Enter the adjusted eligible basis (Column B – Column C) in Column D. Column E will be calculated automatically.

9. Imports Line 42 from Column B of the Residential Development Budget. Enter any reductions to eligible basis in Column C, if applicable. Enter the adjusted eligible basis (Column B – Column C) in Column D. Column E will be calculated automatically.

10. Imports Line 43 from Column B of the Residential Development Budget. Enter any reductions to eligible basis in Column C, if applicable. Enter the adjusted eligible basis (Column B – Column C) in Column D. Column E will be calculated automatically.

11. Enter the actual or anticipated costs for each applicable line item in Column B. If the “Other” line is used, describe the construction improvement in the space provided. Enter any reductions to eligible basis in Column C, if applicable. Enter the adjusted eligible basis (Column B – Column C) in Column D. Column E will be calculated automatically.

Reductions to Eligible Basis of Construction/Rehabilitation Improvements Prior to High Cost Increase: This Section will calculate any additional reductions in eligible basis for construction/rehabilitation.

12-16. For each applicable line item, enter any reduction to eligible basis in Column C. Note: Line 16, Reduction for Historic Tax Credits (residential portion only) should be the amount of Historic Credit, not Equity.

17. These entries are calculated automatically.

Increase in Eligible Basis of Construction/Rehab for High Cost: This Section is used to calculate the increase to eligible basis for projects located in Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) only. Projects not located in a QCT or DDA are not eligible for this boost.

18a. Use the drop down menus in Columns D and E to select 30% boost if applicable. **DO THIS ONLY IF YOU INDICATED IN EXHIBIT 9, SECTION A, QUESTION 3 OR 4 THAT YOUR PROJECT IS LOCATED IN A QCT OR DDA.**

18b - 20. These are calculated automatically.

Determination of Qualified Basis: This Section will calculate the amount of credit form qualified basis.

21. Enter the Applicable Fraction (also known as Low Income Occupancy Percentage) for each applicable Column (D and/or E). The Applicable Fraction is the **lesser** of: a) The ratio of the number of low-income units to the total number of units in the building(s), or, b) The ratio of the total floor space of the low-income units to the total floor space of all units in the building(s).

22. This is calculated automatically.

23. Enter the applicable tax credit percentage and the month and year used.

24. This is calculated automatically.

### **Tab 3.2 - Determination of Qualified Basis Worksheet (LIHC Community Service Facility)**

This worksheet is used to determine how the qualified basis of the building(s) is derived from actual Community Service Facility (CSF) expenditures. **It should reflect expenses only for the CSF portion of the building(s).** Instructions for this tab are the same as those for Tab 3.1, except it uses Development Budget data from Tab 1.4, Community Service Facility, to calculate the credit amount for a CSF.

### **Exhibit 4 – Unit Rents/Maintenance Fees & Affordability**

This Exhibit must be completed for all projects which include residential units. All residential units in the project must be recorded on this Exhibit, including those which are being financed by sources other than DHCR/HTFC, and any unit set aside for occupancy by a building superintendent/resident manager. This exhibit will be used to rate the affordability of the proposed project. It is not used to set income served limits for the regulatory period.

The Tables that you will be required to complete in this Exhibit are dependent on the type of project residential tenure you selected in Exhibit 1, Section G of this Application, and on whether or not you expect the project to receive rental subsidies, as indicated in Question A1 below.

This Exhibit was developed in Microsoft Excel 2003. **The spreadsheet** is locked and password protected.

- Enter data as outlined in the exhibit instructions in the **yellow** spreadsheet boxes. All other boxes contain calculated entries or protected text.

- Please note: This spreadsheet template was developed to serve most but not all of your needs. If, for example, your project requires additional space you will have to call DHCR to have this matter addressed.

- In certain instances, such as if you are applying for Project Based Housing Choice Vouchers, you may choose to complete two separate versions of this Exhibit to reflect rents with and without PBVs.

• This spreadsheet template was developed for a color printer, if you want to print this using a black and white printer then please change the print setting as follows: (File→Print→Properties→Advanced→Enable black and white printing). Printing instructions (orientation and margins) are located at the end of each page (Tab).

**A. Tenant Affordability Plan:**

1. Indicate whether or not you anticipate that any of the units in the project will receive a rental subsidy.

2. If yes, select the type of subsidy expected, and enter the total number of units expected to receive the subsidy. If the rental subsidy source is not listed, select box e, “Other (specify)”, and enter the type of subsidy in the space provided. The total number of units that you enter for this question must match the total units specified to receive a rental subsidy in Table A1 below.

3. **Non-Rent Bearing Unit for Occupancy by Building Superintendent/Resident Manager.**

If the project includes a non rent-bearing unit(s) to be occupied by a building superintendent/resident manager, complete this question. In Column A, select the number of bedrooms in the unit from the drop-down list; in Column B, enter the number of units; in Column C, enter the number of occupants in the unit; in Column D, enter the total cost of the monthly utilities to be paid directly by the occupant. The Spreadsheet will calculate Columns E and F.

**Table A1 - Monthly Housing Cost for Rental Units without Subsidies**

This Table requires you to categorize all units in the project that will not receive rental subsidies by number of bedrooms (unit size), and then by the Monthly Basic Rent for a unit of that size. If there are multiple monthly basic rents anticipated for units of the same size, you must record them separately. The total number of units in Tables A1 and A2 should equal the total number of units entered in Exhibit 1, Section H, Table 1 (if you indicated that this project included a mixture of condominium/cooperative and rental units, the total of units in Tables A1, A2 and B1 must equal the total number of units entered in Exhibit 1, Section H, Table 1).

Please note that if your project includes a **non-rent bearing** unit(s) which will be occupied by a building superintendent/resident manager, this unit should be recorded in question 3 above, and not in this Table. In this instance, the total number of units in Tables A1 and A3 should be **1** less than the total number of units entered in Exhibit 1, Section H, Table 1.

**Monthly Housing Cost – Columns A through G**

**Column A - Unit Size:** Unit size on this chart refers to the number of bedrooms in the unit. Select the unit size from the drop-down menu.

**Column B - No. of Units:** Enter the number of units of this size which will be available at the monthly basic rent entered in Column E.

**Column C - No. of Occupants in Unit:** Enter the number of occupants expected to occupy the unit. (Use 2 persons per bedroom).

Column D - Comparable Market Rent: Enter the median contract rent paid in the primary market area for a comparable unit. (Evidence of comparable rents must be included in the Market Study).

Column E - Monthly Basic Rent: Enter the applicable shelter rent allowance or proposed basic rent or carrying charge for the units in this category.

Column F - Tenant-Paid Utilities: Enter the anticipated cost of utilities to be paid by directly by the tenants in this unit category.

Column G - Total Monthly Housing Cost: This will be calculated by the Spreadsheet by adding Columns E and F together.

### **Affordability – Columns H through M**

These Columns are intended to determine which income group the units without rental subsidies are affordable to.

Column H - Total Annual Housing Cost: This Column will be calculated by the Spreadsheet by multiplying the number in Column G (Total Monthly Housing Cost) by 12 for each of the unit size/monthly cost categories.

Column I – Total Annual Housing Cost divided by 30%: This Column will be calculated by the Spreadsheet by dividing Column H (Total Annual Housing Cost) by .30

Column J - Area Median Income: Enter the appropriate area median income for the proposed unit size. Refer to the "Median Income Adjusted by Bedroom Count" in the Reference Materials for more information.

Column K - Percentage of Area Median Income that Unit is Affordable To: This Column will be calculated by the Spreadsheet by dividing Column I (Total Annual Housing Cost divided by 30%) by Column J (AMI). The result will be the income group that the unit is affordable to. For example, if the Column I calculation is \$16,000, and the area median income is \$28,000, the percentage of median income that the unit is affordable to would be households at 57% of the AMI.

Column L – Percentage of Area Median Income that Unit will be Targeted To: While Column K calculates the percentage of AMI that the unit is affordable to, in this Column, you are to enter the percentage of AMI of the households that you will be targeting for occupancy of the units. The data entered in this Column must be consistent with the data entered in Exhibit 1, Section I, 2 (Income Targets), and will be the basis for the project's Regulatory Agreement should the project be selected for funding.

Column M – Max Rent at 60% LIHC Eligibility: The Spreadsheet will calculate this Column using the following formula: Column J (Adjusted AMI for each Unit Size) x 0.6 x 0.3 / 12.

**4. Calculation of LIHC Monitoring Fee:** If all units in the project except a non-rent-bearing unit for occupancy by a resident manager will be assisted with LIHC/SLIHC, the spreadsheet will calculate the LIHC monitoring fee for the project's first year of operation using the following formula: For each line in Tables A1 and A2: Column B (No. of Units from Tables A1 and A2) x Column M (Maximum Rent at 60% LIHC Eligibility from Tables A1 and A2) x 12 x 0.005.

5. Indicate whether or not the comparable rents referenced in Column D, Tables A1 and A2 include each of the utilities listed.

### **Table A2 - Monthly Housing Cost for Units with Rental Subsidies**

This Table requires you to categorize all units in the project which will receive a rental subsidy by number of bedrooms (unit size), and then by the monthly basic rent for a unit of that size. If there are multiple monthly basic rents anticipated for units of the same size, you must record them separately. The total units in Column B must be equal to the number of units specified in Question A2 above. Please note that if your project includes a **non-rent bearing** unit which will be occupied by a building superintendent/resident manager, this unit should be recorded in question 3 above, and not in this Table.

### **Monthly Housing Cost – Columns A through G**

**Column A - Unit Size:** Unit size on this chart refers to the number of bedrooms in the unit. Select the unit size from the drop-down menu.

**Column B - No. of Units:** Enter the number of units of this size which will receive rental subsidies and will be available at the monthly basic rent entered in Column E.

**Column C - No. of Occupants in Unit:** Enter the number of occupants expected to occupy the unit. (Use 2 persons per bedroom).

**Column D - Comparable Market Rent:** Enter the median contract rent paid in the primary market area for a comparable unit. (Evidence of comparable rents must be included in the Market Study).

**Column E - Monthly Basic Rent:** Enter the applicable shelter rent allowance or proposed basic rent for the units in this category.

**Column F - Tenant-Paid Utilities:** Enter the anticipated cost of utilities to be paid directly by the tenants in this unit category.

**Column G - Total Monthly Housing Cost:** This will be calculated by the Spreadsheet by adding Columns E and F together.

### **Affordability - Columns H through M**

These Columns are intended to determine which income group the units with rental subsidies are affordable to.

**Column H - Total Annual Housing Cost:** This Column will be calculated by the Spreadsheet by multiplying the number in Table A1, Column G (Total Monthly Housing Cost) by 12 for each of the unit size/monthly cost categories entered in Table A1 above.

**Column I – Total Annual Housing Cost divided by 30%:** This Column will be calculated by the Spreadsheet by dividing Column H (Total Annual Housing Cost) by .30

**Column J - Area Median Income:** Enter the appropriate area median income for the proposed unit size. Refer to the "Median Income Adjusted by Bedroom Count" in the Reference Materials for more information.

Column K - Percentage of Area Median Income that Unit is Affordable To: This Column will display 30% of Area Median Income (AMI) for all units with rental subsidies.

Column L – Percentage of Area Median Income that Unit will be Targeted To: Enter the percentage of AMI of the households that you will be targeting for occupancy of the units. The data entered in this Column must be consistent with the data entered in Exhibit 1, Section I, 2 (Income Targets), and will be used as the basis for the project's Regulatory Agreement should the project be selected for funding.

Column M – Maximum Rent at 60% LIHC Eligibility: The Spreadsheet will calculate this Column using the following formula:  $\text{Column J (Adjusted AMI for each Unit Size)} \times 0.6 \times 0.3 / 12$ .

**4. Calculation of LIHC Monitoring Fee:** If all units in the project except a non-rent-bearing unit for occupancy by a resident manager will be assisted with LIHC/SLIHC, the spreadsheet will calculate the LIHC monitoring fee for the project's first year of operation using the following formula: For each line in Tables A1 and A2:  $\text{Column B (No. of Units from Tables A1 and A2)} \times \text{Column M (Maximum Rent at 60\% LIHC Eligibility from Tables A1 and A2)} \times 12 \times 0.005$ .

5. Indicate whether or not the comparable rents referenced in Column D, Tables A1 and A2 include each of the utilities listed.

**B. Condominium/Cooperative Affordability Plan:**

1. Specify what percentage of the purchase price will be required as a down-payment by the purchaser. This percentage will be used by the Spreadsheet to calculate the down payment in Table B1, Column D.
2. Select the applicable tenure type for the units.

**Table B1 - Total Monthly Housing Cost for Owner-Occupied Units**

This Table requires you to categorize all condominium/cooperative units in the project by number of bedrooms (unit size), and then by the monthly payment for a unit of that size. If there are multiple monthly payments anticipated for units of the same size, you must record them separately. The total number of units should equal the total number of units entered in Exhibit 1, Section H, Table 1. (If you indicated that this project included a mixture of owner-occupied and rental units, the total of units in Tables A1, A2 and B1 of this Exhibit must equal the total number of units entered in Exhibit 1, Section H, Table 1).

**Total Monthly Housing Cost – Columns A through I**

Column A - Unit Size: Unit size on this chart refers to the number of bedrooms in the unit. Select the unit size from the drop-down menu.

Column B - No. of Units: Enter the number of units of this size which will be available at the monthly cost entered in Column F (Monthly Payment)

Column C - Purchase Price: Enter the purchase price for the unit. Include the value of any sweat equity contributions in the purchase price as the down payment.



Column D - Down Payment: The Spreadsheet will calculate and display the down payment based on the percentage entered at the top of this Section.

Column E - Amount to be Financed: The Spreadsheet will calculate this Column by subtracting the down payment from the purchase price.

Column F - Monthly Payment: Enter the total of monthly principal and interest payments on the mortgage loan for the unit.

Column G - Monthly Taxes and Insurance: Compute and enter the monthly total property taxes and homeowner's insurance (including flood insurance if necessary) for the unit.

Column H - Monthly Maintenance and Carrying Costs: Enter the monthly costs of maintaining and amortizing the buildings and grounds for condominium or cooperative units.

Column I - Total Monthly Cost: This will be calculated by the Spreadsheet by adding together Columns F, G and H for each line.

#### **Unit Affordability – Columns J through N**

Column J – Total Annual Housing Cost: This Column will be calculated by the Spreadsheet by multiplying Column I (Total Monthly Cost) by 12 for each of the unit size/monthly cost categories.

Column K – Total Annual Housing Cost divided by 30%: This Column will be calculated by the Spreadsheet by dividing Column J (Total Annual Housing Cost) by .30.

Column L – Area Median Income: Enter the appropriate area median income for the proposed unit size. Refer to the "Median Income Adjusted by Bedroom Count" in the Reference Materials for more information.

Column M - Percentage of Area Median Income that Unit is Affordable To: This Column will be calculated by the Spreadsheet by dividing Column K (Total Annual Housing Cost divided by 30%) by Column L (AMI). The result will be the income group that the unit is affordable to. For example, if the Column K calculation is \$16,000, and the area median income is \$28,000, the percentage of median income that the unit is affordable to would be households at 57% of the AMI.

Column N - Percentage of Area Median Income that Unit will be Targeted To: While Column M calculates the percentage of AMI that the unit is affordable to, in this Column, you are to enter the percentage of AMI of the households that you will be targeting for occupancy of the units. The data entered in this Column must be consistent with the data entered in Exhibit 1, Section I, 2 (Income Targets), and will be the basis for the project's Regulatory Agreement should the project be selected for funding.

#### **Exhibit 5 – Project Income & Operating Budget**

This Exhibit has been developed in Microsoft Excel 2003. **The spreadsheet** is locked and password protected. Please review the following before beginning this exhibit:

- Enter data as outlined in the exhibit instructions in the **yellow** spreadsheet boxes. All other boxes contain calculated entries or protected text;

- Comments to aid with data entry have been inserted into this sheet. Moving your cursor over cells with a **red** arrow will reveal the comment;
- Drop-down lists are used throughout the spreadsheet. Left clicking inside a comment cell will reveal the drop-down arrow. Click on the arrow, and select the appropriate option.
- **Printing:** This spreadsheet template was developed for use with a color printer. To print using a black and white printer, change the print setting as follows: (File→Print→Properties→Advanced→Enable black and white printing.
- The print margins have been protected and cannot be adjusted. As a result, your printer may print some two pages when the document should print as one. Print orientation and margins are listed at the bottom of each tab page.
- In certain instances, such as if you are applying for Project Based Housing Choice Vouchers, you may choose to complete two separate versions of this Exhibit to reflect costs with and without PBVs.

### **Exhibit 5 Instructions**

This Exhibit must be completed for both residential and non-residential space in the project. If the project involves **both residential and non-residential space**, including commercial space, civic space or Community Service Facility Space, you will complete one iteration of Table 1 – Total Effective Income, and two iterations of Table 2 (Operating Budget Projections) and Table 3 (Operating Budget) – one for the residential portion of the project, and another for the non-residential portion. Upon completion of Tables 2A, 2B and/or 2C and 2D, the Spreadsheet will produce a summary Operating Budget Basis Table for the entire project as Table 2E. Upon completion of the two Table 3's (residential and non-residential), the Spreadsheet will produce a summary for the project. If you indicated in Exhibit 1, Section G that your project involves residential space **only**, or non-residential space **only** you will only need to complete one iteration of this Exhibit.

The ten tabs are as follows:

1. INCOME – this Table will be used to enter both residential and non-residential project income.
- 2A – RESBASE - This Table will be used to enter the residential operating cost assumptions for the first 15 years of the project. See the following instructions for full instructions on how to complete this Table.
- 2B – OTHERRES – This Table will be used to enter the residential operating costs for line items which are other than fixed or variable.
- 3A. RESOPBUD – This Table will be calculated by the spreadsheet using the operating cost basis assumptions entered in Tables 2A and 2B and projecting the 15-year operating costs for the residential portion of the project.
- 2C – NONRESBASE - This Table will be used to enter the non-residential operating cost assumptions for the first 15 years of the project. See the following instructions for full instructions on how to complete this Table.

2D – OTHERNONRES – This Table will be used to enter the non-residential operating costs for line items which are other than fixed or variable.

3B - NONRESOPBUD – This Table will be calculated by the spreadsheet using the operating cost basis assumptions entered in Tables 2C and 2D and projecting the 15-year operating costs for the non-residential portion of the project.

2E – SUMBASE – If this is a mixed-used project, this Table will be calculated by the spreadsheet by summing the totals from Tables 2A and 2C. The numbers will then be used to update Table 3B, the Operating Budget for both residential and non-residential portions of the project.

2F – OTHERSUM – This Table will be automatically populated by the data entered in Tables 2B and 2D. The numbers will then be transferred to the appropriate lines in the Summary Operating Budget (Table 3C).

3C - SUMOPBUD – This Table will be calculated by the spreadsheet using the operating cost basis assumptions entered in Tables 2E and 2F, and projecting the 15-year operating costs for the residential and non-residential portions of the project.

### **Table 1 – Total Effective Income:**

This Table calculates the project’s income and vacancy arrears to produce total effective income. Section A is for the residential portion of the project and Section B is for the non-residential portion of the project.

#### **Section A – Effective Residential Income**

If the project does not involve residential space, do not complete this section.

1. **Total Residential Monthly Income/Maintenance Fees:** This cell will be calculated by the Spreadsheet by multiplying the total number of units in Exhibit 4, Table A1 and Table A2 by the basic rents for each line, and adding the results. If this project includes condominium/ cooperative units, the Spreadsheet will also calculate and add this income by multiplying Table B1, Column H of Exhibit 4 by the total number of units.

2. **Annual Gross Residential Income:** The Spreadsheet will calculate this by multiplying line 1 (Total Monthly Income/Maintenance Fees) by 12.

3. **Residential Vacancy & Arrears:** Enter the estimated percentage of vacancy and arrears for the residential portion of the project in the space provided (default is 5.0%). The Spreadsheet will then multiply Line 2 (Annual Gross Residential Income) by this percentage to arrive at the total annual income expected to be lost from residential vacancies and arrears.

4. **Net Residential Income:** The Spreadsheet will calculate this by subtracting Line 3 (Residential Vacancy and Arrears) from Line 2 (Annual Gross Residential Income).

5a. **Ancillary Income - Laundry:** If applicable, enter the anticipated income from residential laundry facilities.

5b. Ancillary Income – Parking: If applicable, enter the anticipated income from residential parking facilities.

5c. Ancillary Income – Other: If applicable, enter the anticipated income from other residential sources, for example, dedicated project operating subsidies from public agencies, fully capitalized operating reserves, or a Homesteader’s contribution to the operating budget. Specify the source of other income in the space provided. Do not include interest from operating or replacement reserves.

6. Total Ancillary Residential Income: The Spreadsheet will calculate this by adding together lines 5a, 5b and 5c.

7. Total Effective Residential Income: The Spreadsheet will calculate this by adding together lines 4 and 6. This figure will be transferred to line 1 (Total Effective Income) of Table 2 of Tab 2A (Res. Base) for the residential portion of this project.

#### Section B – Effective Non-Residential Income

8. Gross Commercial/Civic Income: Enter the estimated amount of revenue to be generated from commercial and/or civic rents if the project is mixed use.

9. Commercial/Civic Vacancy and Arrears: Enter the estimated percentage of vacancy and arrears for the commercial/civic portion of the project (default is 10.0%). The Spreadsheet will then multiply line 8 (Gross Commercial/Civic Income) by this percentage to arrive at the total annual income expected to be lost from commercial or civic vacancies and arrears.

10. Net Commercial/Civic Income: The Spreadsheet will calculate this by subtracting line 9 from line 8. This figure will be transferred to line 1 (Total Effective Income) of Table 2 of Tab 2C (Non-Res. Base) for the non-residential portion of this project

11. Total Effective Income: This line will be blocked to Spreadsheet Users. The Spreadsheet will calculate this when it produces a Summary Table 1 for projects with both residential and non-residential space by adding together lines 7 & 10.

#### **Tables 2A, 2B, 2C, 2D, and 2E – Basis for Projection of Operating Budget:**

**For mixed-use projects, the assumptions entered in Tables 2A through 2D will automatically be added to the summary Table 2E, which will in turn be used to update Table 3C – Summary Operating budget.**

This Table serves two purposes:

1. Data entered here will enable the Spreadsheet to do many of the calculations required in Tables 3A, 3B and 3C – Operating Budgets; and,
2. It provides a rationale for operating expenses during the project’s first fifteen years of operation.

Columns:

Column A - Expenses: Lists typical project operating expenses, as well as the total effective income (Line 1).

Column B- Year 1 Cost: Enter the anticipated first year's operating cost for each applicable operating expense listed in Column A. Year one should represent the first complete year of occupancy.

Column C – Type & % Increase/Decrease: From the drop-down list, select one of the following three expense types for each line item:

**Fixed:** These are costs that will remain constant from year to year. The Spreadsheet will update the operating budget for these line items, based on the amount entered in Column B – Year 1 Cost.

**Variable:** These are costs that are expected to either rise or fall from one year to the next. If you select this type, you must also enter an estimated increase or decrease in terms of a percentage. The percentage chosen for Line 1 Total Effective Income will be the default for all other expenses. The Spreadsheet will update the operating budget for these line items based on the percentage.

**Other:** These are costs that cannot be termed either fixed or variable. For these line items, you must manually complete Tab 2B (OtherRes) and/or Tab 2D (OtherNonRes) for years 1 through 15. The spreadsheet will then transfer these to the applicable Operating Budget.

Column D – Rationale for Estimates:

1. **Default Expense % Change** – Enter the expected percentage increase for expense items here. This percentage will be the default for all variable expenses but can be overridden individually.

2. In the space provided, enter the rationale for the estimated expense. For example: “\$80 per unit based on actuals from a similar project” or “quote from insurance broker – Smith Insurance.”

**Please note the following regarding certain line items:**

Line 1: Spreadsheet will provide the Total Effective Income for the first year. Complete this line in the appropriated Tab 2B or 2D for the following years only if the Type is “Other”.

Lines 38 and 39: Reserves - Refer to the CPM, Section 5.06 before completing these lines.

Line 42 – Debt Service:

1<sup>st</sup> column - enter the same debt Source Codes that you entered in Exhibit 3 Section A, Table 2 Permanent Financing Sources (Source Codes are also listed beginning at spreadsheet cell “Q44”).

2<sup>nd</sup> column - enter the same loan amount that you entered in Exhibit 3 Section A, Table 2 Permanent Financing Sources.

3<sup>rd</sup> column – enter the same interest rate that you entered in Exhibit 3 Section A, Table 2 Permanent Financing Sources.

4<sup>th</sup> column – enter the same loan term (in months) that you entered in Exhibit 3 Section A, Table 2 Permanent Financing Sources.

Columns B & C – same instructions used for lines 2 through 39. The default Type is “fixed” for all debt service amounts.

Column D - enter the same Source Names that you entered in Exhibit 3 Section A, Table 2 Permanent Financing Sources.

Line 44 – Cash Flow: For projects utilizing HTF/HOME **and** LIHC or SLIHC programs, owners are limited on assisted units to the greater of a nominal return on equity (not to exceed \$360/unit annually), or an amount equal to debt service coverage required by another participating permanent lender.

Line 45 – Repayment of Deferred Developer’s Fee: If the project’s Development Budget Permanent Funding Sources (Exhibit 3, Section A2) include Source Code #4006 (Deferred Developer’s Fees), you must enter an amount and type that will ensure that the fee is repaid within 15 years of the placed-in-service date (See Section 5.07 of the CPM). The default is “fixed”. If you chose type “other”, you must fill in the appropriate Tab 2B or 2D for years 1 through 15.

### **Tables 3A, 3B and 3C – Operating Budget**

For each line item in Table 2 that was specified as “Fixed” or “Variable with a Percentage Rate”, the Spreadsheet will calculate project operating costs for the first 15 years of project operation. It will also transfer “other” (non variable or not fixed) costs from Tab 2B and/or 2D to the appropriate Operating Budget. Tab 3C is a summary budget only required for mixed-use projects. It will be updated automatically using the data from Tab 2E (Summary Operating Basis).

Lines 10, 24, 30, 37, 40, 41, 43 and 44 will be calculated by the Spreadsheet.

The following instructions pertain to all Tabs containing Question 4, Deferred Developer’s Fee.

### **Deferred Developer’s Fee**

**A. Total Deferred Developer’s Fee:** Enter the amount of the Deferred Developer’s Fee entered as a Permanent Financing Source in Exhibit 3 (Development Budget), Section A2.

**B. Total Repaid in 15 Years:** The Spreadsheet will add the total amount of deferred developer’s fee repaid in the 15-year period displayed in Tab 3 – Operating Budget.

**C. Discrepancy:** If there is a discrepancy between the figures in A and B, the discrepancy will be displayed.

### **Exhibit 9 – LIHC/SLIHC Qualified Building Information**

This Exhibit must be completed by all Applicants requesting LIHC and/or SLIHC. If you are requesting both LIHC and SLIHC, you must complete the Exhibit separately for each Program.

Select the Program for which this Exhibit is being completed.

Complete Section A of this Exhibit (General Project Information). If the project does not involve either of the special circumstances set forth in Questions 1 & 2 of Section A, you need only complete Sections B, C and D once as a summary of all LIHC/SLIHC-assisted buildings that will exist upon project completion.

However, if the project does involve one of the special circumstances set forth in Questions 1 & 2 of Section A, you must complete all sections of this Exhibit for **each** LIHC/SLIHC-assisted building in the project. In all cases, you must complete Section E (Declaration of Public Subsidies) for **each LIHC/SLIHC-assisted building that will exist upon project completion.**

Before completing this Exhibit, please refer to the following resources:

- DHCR’s Qualified Allocation Plan (QAP);
- Article 2-A of the Public Housing Law (SLIHC);
- DHCR’s New York State Low Income Housing Tax Credit Regulations (SLIHC);
- Section 42 of the Internal Revenue Code and related regulations for definitions and information on program eligibility; and,
- Professional guidance from a tax consultant, attorney, or accountant in preparing this Exhibit and related documentation which may affect tax liability status through the LIHC and/or SLIHC Program.

**A. General Project Information**

1. Indicate whether this project involves the rehabilitation of occupied buildings with varying levels of occupancy. If yes, enter the number of buildings.

2. Indicate whether this project involves multiple buildings of which, some but not all, are eligible for high-cost treatment as set forth in Section 42. If yes, enter the number of buildings.

If you answered yes to questions 1 or 2 above, you must complete this entire Exhibit for each LIHC/SLIHC-assisted building which will exist upon project completion. If you answered no to questions 1 and 2 above, you are only required to complete Sections B, C and D once for all LIHC/SLIHC-assisted buildings that will exist upon project completion. Section E must be completed for each LIHC/SLIHC-assisted building in the project with no exceptions.

3a. Indicate whether the project will be located in a Qualified Census Tract (QCT).

3b. If you answered yes to question 3a, enter the county and tract number of the QCT.

4a. Indicate whether the project will be located in a Difficult Development Area (DDA).

4b. If you answered yes to question 4a, select the DDA County from the drop-down list.

5. Respond to this question by electing yes or no from the drop-down list

**B. Site/Building Acquisition**

1. Indicate whether the site(s)/building(s) is being acquired from a related or unrelated party.

2. If the project involves the acquisition of buildings, and the buildings were or will be acquired with Buyer's Basis, indicate how the basis will be determined. If you select 2b (determined with reference to seller's basis), enter the amount of Seller's Basis in 2c.

3. If the buildings have been owned by the seller for at least ten years, enter the date the building was placed in service by the owner in 3a, and enter the anticipated date of acquisition by the applicant in 3b. If not applicable, go to question 4.

4. If the building(s) have been owned by the seller for less than ten years, select all applicable acquisition options.

### **C. Determination of Qualified Basis Worksheet**

This Worksheet is used to determine how the qualified basis of the building(s) is derived from actual **residential** expenditures. **It should reflect expenses only for the residential portion of the building(s).**

If there are multiple qualified low-income buildings in the project, an appropriate means should be used to distribute expenditures for eligible common facilities between buildings (e.g., proportion of the eligible residential floor space attributable to each building).

#### Columns:

Column A- Project Costs and Adjustments: Lists project costs and adjustments, both reductions and increases.

Column B – Actual Costs: Enter the actual or expected costs of each line item, if applicable.

Column C – Adjustments to Eligible Basis: Enter all adjustments to the eligible basis for each line item, if applicable.

Columns D & E – Eligible Basis by Credit Rate Type: Enter the dollar amounts of eligible basis for the building(s) under either Column D (30% Present Value (PV)) or E (70% PV), if applicable.

#### Line Items:

Acquisition: This Section will calculate the actual costs, reduction in eligible basis, and eligible basis for the costs of acquisition, excluding land.

Line 1 – Cost of Land Only: In Column B, enter the actual or anticipated costs for land only. Excel will automatically enter this figure into Column C, Adjustments to Eligible Basis.

Line 2 – Acquisition Costs (excluding Land): In Column B, enter the actual or anticipated costs for buildings excluding the cost of land. Enter any adjustments to the eligible basis in Column C. Excel will calculate Column D by subtracting Column C from Column B. (Acquisition may not be claimed at the 70% PV basis).

Reductions to Eligible Basis for Acquisition of Buildings: This Section will calculate any reductions in eligible basis for acquisition.



Lines 3, 4 and 5: Enter any reductions in eligible basis for each applicable line item.

Line 6 - Total Building Acquisition Actual Costs, Adjustments and Eligible Basis: Excel will calculate this line as follows: Line B2, Acquisition Costs (excluding land) will be carried forward under Column B. Column C will be the sum of Lines C2 through C5. Column D will be the sum of Line B6 minus Line C6.

Construction Improvements – Actual Costs, Adjustments & Eligible Basis: This Section will calculate actual costs, reductions in eligible basis and eligible basis for construction/rehabilitation improvements.

Lines 7 through 11: Enter the actual or anticipated costs for each applicable line item in Column B. Enter any reductions to eligible basis in Column C. Enter the adjusted eligible basis for each line item in Column D and/or E, as applicable. The total eligible basis in Columns D and E must be equal to the difference between Column B and Column C for each line item.

**Please Note: Do not include LIHC fees in line 7. Costs for the developer’s fee should be entered on Line 10, and not on Line 7. If there are additional construction improvement costs not listed, enter them in Line 11 (Other) and specify the total of these costs in the space provided.**

Reductions to Eligible Basis of Construction/Rehabilitation Improvements Prior to High Cost Increase: This Section will calculate any additional reductions in eligible basis for construction/rehabilitation.

Lines 12 – 16: For each applicable line item, enter any reduction to eligible basis in Column C.

Line 17 - Total Construction/Rehab Improvements Actual Costs, Adjustments & Eligible Basis Prior to High Cost Increase: This line will be calculated as follows:

Column B – Excel will add together Lines B7 - B11.

Column C – Excel will add together Lines C7 – C16 to derive the total adjustments to eligible basis prior to high cost increase.

Columns D and E -The difference between Line 17B and Line 17C is the adjusted eligible basis prior to high cost increase. That amount must be calculated and entered by the applicant into Line 17D and/or 17E as appropriate.

Increase in Eligible Basis of Construction/Rehab for High Cost: This Section will calculate the increase to eligible basis for projects located in Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) only.

Line 18 – Increase in Eligible Basis for High Costs: Calculate this line by multiplying the amount in Line 17D and/or 17E by .30 **DO THIS ONLY IF YOU INDICATED IN SECTION A, QUESTION 3 OR 4 OF THIS EXHIBIT THAT YOUR PROJECT IS LOCATED IN A QCT OR DDA.**

Line 19 – Adjusted Eligible Basis of Construction/Rehab Improvements: Excel will calculate this line as follows: Column D will be the sum of Lines 17D and 18D. Column E will be the sum of Lines 17E and 18E.

Line 20 – Total Eligible Basis of Acquisition & Construction/Rehab Improvements: Excel will calculate this line as follows:

Column D – will be the sum of Lines D6 and D19.

Column E – will be the amount entered in Line E19. Excel will enter this amount.

Determination of Qualified Basis: This Section will calculate the amount of credit from qualified basis.

Line 21 – Applicable Fraction: Enter the Applicable Fraction (also know as Low Income Occupancy Percentage) for each applicable Column (D and/or E). The Applicable Fraction is the lesser of:

- a. The ratio of the number of low-income units to the total number of units in the building(s); or,
- b. The ratio of the total floor space of the low-income units to the total floor space of all units in the building(s).

Line 22 – Qualified Basis by Credit Rate: This line will be calculated by Excel by multiplying Line 20 by Line 21 for each applicable Column..

Line 23 – Credit Rate: Enter the applicable tax credit percentage, and the month and year used.

Line 24 – Credit Amount from Qualified Basis: Excel will calculate this line by multiplying Line 22 by Line 23 for each applicable Column.

#### **D. Unit Information**

**Table 1 – LIHC/SLIHC Rent-Restricted Residential Unit Distribution, Rentable Floor Space and Schedule of Rents:** Complete Table 1 by entering the requested information for all units in the building(s) which will be LIHC/SLIHC rent-restricted.

This Table requires you to categorize all units in the building(s) by unit size (number of bedrooms), and then by the Monthly Rent for a unit of that size. If there are multiple monthly rents anticipated for units of the same size, you must record them separately.

Column A – No. of Bedrooms: Enter the number of bedrooms in the unit.

Column B – No. of Units: Enter the number of units of this size which will be charged the rent in Column E.

Column C – Rentable Floor Area of Unit (sq ft): Enter the total rentable floor area of each unit in square feet.

Column D – Total Rentable Floor Area: This column will be completed by Excel by multiplying column b by column c for each line.

Column E – Monthly Rent: Enter the total monthly rent for the units.

Column F – Tenant Paid Utilities: Enter the cost of utilities to be paid by the tenant for the units.

**Table 2 – Non-LIHC/SLIHC Residential Rental Unit Distribution, Rentable Floor Space and Schedule of Rents:** Complete Table 2 as you did Table 1, but only for those units in the building(s) which are not to be assisted by LIHC and/or SLIHC.

3. Percentage of LIHC/SLIHC units in building(s): Divide the **total** number of LIHC/SLIHC units in the building (project if completing a summary form) by the **total** number of units in the building (project if completing a summary form).

4. Percentage of LIHC/SLIHC Rentable Floor Area in building(s): Divide the **total** LIHC/SLIHC rentable floor area in the building (project if completing a summary form) by the **total** rentable floor area in the building (project if completing a summary form).

**E. Declaration of Public Subsidies**

This Section must be completed for **every** LIHC and/or SLIHC-assisted building that will exist upon project completion.

Enter the number of LIHC/SLIHC-assisted buildings in the project.

2. – 4. Enter the building’s street address, municipality, and zip code.

3. Declaration of Public Subsidies Table. Complete this Table for all Federal, State and local government subsidies, including LIHC/SLIHC which will be applied to the building identified in 2 through 4 above.

Columns:

Column A – Source: Enter the name of the governmental agency administering the program subsidy, for example: HUD or DHCR.

Column B – Program: Enter the name of the program who will supply the subsidy, for example, HTF or CDBG.

Column C – Type: Enter the type of subsidy, for example: grant, loan, tax exempt bonds, mortgage insurance, negotiable development rights or tax certificates, or rental assistance).

Column D – Value: Enter the estimated dollar value or units.

Column E – Interest Rate: If the subsidy is in the form of a loan, enter the interest rate.

Column F – Monthly Debt Service: If the subsidy is a loan, enter the monthly debt service.

Column G – Term: If the subsidy is a loan, enter the loan term.

After completing the Table, complete the certification. This certification must be completed and submitted at each stage of LIHC/SLIHC processing, including application, allocation, and project completion when applying for issuance of IRS Form 8609 and/or an eligibility statement (SLIHC).

## Exhibit 10 – LIHC/SLIHC Project Summary

In instances where both LIHC and SLIHC are being requested in the same project, complete a separate Exhibit 10 for each Program.

Before completing this Exhibit, please refer to the following resources:

- DHCR’s Qualified Allocation Plan (QAP);
- Article 2-A of the Public Housing Law (SLIHC);
- New York State Low Income Housing Tax Credit Regulations (SLIHC);
- Section 42 of the Internal Revenue Code and related regulations for definitions and information on program eligibility; and,
- Professional guidance from a tax consultant, attorney, or accountant in preparing this Exhibit and related documentation which may affect tax liability status through the LIHC and/or SLIHC Program.

### **A. Project Details**

Select only the Program for which this Exhibit is being prepared. A separate Exhibit must be prepared for each credit program in a project.

1. Enter the number of non-contiguous sites in the project.
2. Enter the number of qualified low-income buildings in the project. (These are buildings which have at least one LIHC/SLIHC-eligible unit).
3. Enter the number of residential units in the project. Be sure this number agrees with entries and totals in other exhibits in this application.
4. Enter the number of tax credit rent-restricted units in the project. (These are units which are income-eligible under the LIHC or SLIHC Programs.) If this project has **both** LIHC and SLIHC, you must complete this exhibit for each program and this entry pertains only to the program for which this exhibit is being completed.
5. Enter the amount of qualified basis of the project subject to the lower credit rate (30% of PV). This amount must be equal to the amount in Exhibit 9, Section C, Line 24, Column D.
6. Enter the amount of qualified basis of the project subject to the higher credit rate (70% of PV). This amount must be equal to the amount in Exhibit 9, Section C, Line 24, Column E.
7. Enter the annual amount of credit requested. This amount must agree with the amount requested in Exhibit 1. If this project has **both** LIHC and SLIHC, you must complete this exhibit for each program and this entry pertains only to the program for which this exhibit is being completed.
8. Divide Line 7 by Line 4 and enter the amount here.

9. Enter the anticipated equity price.
10. Enter the anticipated total amount raised from syndication.
11. Enter the net amount from syndication to be provided to the project.

**B. Minimum Set-Aside Election**

Check the applicable set-aside election.

**C. Use of Credit Proceeds**

1. Indicate if the syndication will be public or private.
2. Enter the percentage of ownership retained by the developer.
- 3 - 5. Enter the syndicator's name, contact person, and contact person's phone number.
6. Enter the total amount anticipated from syndication.
7. Enter the net amount of the anticipated investor pay-in.
8. If the investor (equity provider) will provide construction, bridge and/or permanent loans to the project, complete the Table, detailing the terms and length of loan for each loan.

**D. Investor Pay-In Schedule**

Column 1 – Enter a brief description of the threshold event which must occur to receive each pay-on, for example, 50% construction completion or issuance of a temporary certificate of occupancy.

Column 2 – Enter the amount of the pay-in.

Column 3 – Enter the projected month, day and year of the pay-in

Column 4 – Enter a brief description of the use of the pay-in (developer fees, construction costs, etc.)