

New York State Homes and Community Renewal

Low Income Housing Tax Credit Program

Instructions for

Calculation of Qualified Contract Price

In order for N.Y.S. Homes and Community Renewal (HCR) to assist in identifying a purchaser for your project, you must complete the Calculation of Qualified Contract Price form attached to these instructions (the "**Calculation Form**"). This calculation will establish the minimum price at which your project will be offered for purchase.

To complete the Calculation Form, you must complete **Worksheets A through D** and, if the project has market rate units, **Worksheet E**. The results of Worksheets A through E are transferred to the **Calculation Form** to determine the **Qualified Contract Price** for the project.

The Calculation Form is derived from a statutory formula set forth in Section 42(h)(6)(F) of the Internal Revenue Code. The statutory formula divides the purchase price between the low income portion of the project and the market rate portion of the project, if any. The Qualified Contract Price for the low income portion of the project is equal to the sum of project indebtedness (**Worksheet A**), investor equity (**Worksheet B**), and other capital contributions (**Worksheet C**) reduced by the total cash that has been distributed, or is available for distribution, from the project (**Worksheet D**). If the project has any market rate units, the Qualified Contract Price is increased by the fair market value of those units (**Worksheet E**).

Note: The twelve month period in which HCR has, if it so chooses, to identify a buyer for your project will **not** commence until the **Calculation Form**, and **Worksheets A through E**, are completed and returned to HCR with all other required materials. The **Calculation Form** must be prepared or approved (in writing) for project ownership by an accountant, or similarly qualified professional.

If you have any questions with respect to the preparation of the Calculation Form and Worksheets, you are encouraged to contact Kenneth Kelly, Director of Financial Operations, Housing Management and Compliance Monitoring at: (212) 872-0321.

**NEW YORK STATE
HOMES and COMMUNITY RENEWAL**

**Calculation of Qualified Contract Price
IRC Section 42(h)(6)(F)**

As of :

A. Calculation of Low-Income Portion of Payment:

(i)	Outstanding Indebtedness secured by or with respect to the Buildings (from Worksheet A)	\$ -
(ii)	Adjusted Investor Equity (from <i>Worksheet B</i>)	\$ -
(iii)	Other Capital Contributions not reflected in (i) or (ii) (from <i>Worksheet C</i>)	\$ -
(iv)	Total of (i), (ii) and (iii)	\$ -
(v)	Cash Distributions from or available from the Project (from <i>Worksheet D</i>)	\$ -
(vi)	Line (iv) reduced by Line (v)	\$ -
(vii)	Applicable fraction (as set forth in the Tax Credit Regulatory Agreement)	\$ -
(viii)	Low-Income Portion of Qualified Contract Price (Line (vi) multiplied by Line (vii))	\$ -

B. Fair Market Value of Non Low-Income Portion of Building(s) (from *Worksheet E*)

Qualified Contract Price (Sum of Line A (viii) and Line B) \$ -

Prepared by: _____

Signature

Title: _____

Date: _____

Instructions

The Qualified Contract Price includes the unpaid balance of all secured and unsecured indebtedness with respect to the low income buildings. Worksheet 'A' requires you to set forth certain information with respect to each mortgage loan and other project indebtedness: the name of the lender, the unpaid principal balance, the accrued interest, the maturity date, and other relevant information.

In the box marked "Other Information," please set forth any information with respect to that particular loan that may be relevant HCR's efforts to assist in locating a purchaser for the project. Examples of relevant information include whether the loan has a "due on sale" clause or if any portion of the loan is payable from net cash flow (i.e. is "soft" debt).

In addition to mortgage indebtedness, list any unsecured, long term debt the proceeds of which were used directly in the construction, rehabilitation, or operations of the project.

The unpaid principal balance and accrued interest for each loan set forth on this Worksheet A should be totaled and that total should be transferred to Section A(i) of the Calculation Form.

First Mortgage Loan:

Lender:	
Principal Balance	
Accrued Interest	
Maturity Date	
Other Information	
	Subtotal

Second Mortgage Loan:

Lender:	
Principal Balance	
Accrued Interest	
Maturity Date	
Other Information	
	Subtotal

Third Mortgage Loan:

Lender:	
Principal Balance	
Accrued Interest	
Maturity Date	
Other Information	
	Subtotal

Other Indebtedness:

Lender:	
Principal Balance	
Accrued Interest	
Maturity Date	

	Other Information				
					Subtotal
Total Indebtedness:					

\$			Subtotal	
\$				

New York State Homes and Community Renewal

Low Income Housing Tax Credit Program

Worksheet B

Calculation of Adjusted Investor Equity In the Low-Income Building(s)

Code Section 42 (h)(6)(F)(i)(II)

Instructions

The Qualified Contract Price includes the sum of the "Adjusted Investor Equity" with respect to the project. "Adjusted Investor Equity" means, with respect to each calendar year, the aggregate amount of cash taxpayers invested with respect to the low income buildings, increased by the applicable cost of living adjustment, if any.

Not all capital contributions with respect to the project qualify as "Adjusted Investor Equity." Specifically, cash invested in the project should be included in this Worksheet B only if each of the following conditions are met:

- (i) The cash is contributed as a capital contribution and not as a loan or advance;
- (ii) the amount is reflected in the adjusted basis of the project (until there is further guidance from the Internal Revenue Service, HCR will interpret this to mean cash contributions used to directly fund adjusted basis and cash contributions used to pay off a construction or bridge loan, the proceeds of which directly funded adjusted basis); and
- (iii) there was an obligation to invest the amount as of the beginning of the credit period (until there is further guidance from the Internal Revenue Service, HCR will interpret this to include cash actually invested before the beginning of the credit period and cash invested after the beginning of the credit period which there was an obligation to invest at the beginning of the credit period).

With respect to Worksheet B, for each calendar year you are required to set forth the identity of the individual or entity that is a general partner if the cash investment by a general partner otherwise satisfies the requirements set forth in this section for that calendar year. This amount should include only cash that was actually contributed to the project.

The cost of living adjustment should be set forth for each calendar year. Investment amounts qualify for the credit only if they are entitled to a cost of living adjustment. The applicable cost of living adjustment for each year should be based on the Consumer Price Index – All Urban Consumers available through the U.S. Department of Labor, Bureau of Economic Analysis, to Sections 1(f) and 42(h)(6)(G)(II) of the Code, the CPI adjustment is calculated for each twelve month period. Accordingly, in September of each year, the cost of living adjustment must be recalculated.

For each calendar year, the amount of "Adjusted Investor Equity" is the sum of the qualifying investment amounts, increased by the applicable cost of living adjustment, if any, for each year, these amounts must be totaled and set forth on this Worksheet B. The amount of "Adjusted Investor Equity" for each calendar year should be set forth in the following table:

Year		Adjusted Investor Equity			
		Investor:			
		Investment Amount			
		Cost of Living Adjustment %			

		Cost of Living Increase		
				Subtotal
Year		Adjusted Investor Equity		
		Investor:		
		Investment Amount		
		Cost of Living Adjustment %		
		Cost of Living Increase		
				Subtotal
Year		Adjusted Investor Equity		
		Investor:		
		Investment Amount		
		Cost of Living Adjustment %		
		Cost of Living Increase		
				Subtotal
Year		Adjusted Investor Equity		
		Investor:		
		Investment Amount		
		Cost of Living Adjustment %		
		Cost of Living Increase		
				Subtotal
Year		Adjusted Investor Equity		
		Investor:		
		Investment Amount		
		Cost of Living Adjustment %		
		Cost of Living Increase		
				Subtotal

Year		Adjusted Investor Equity		
		Investor:		
		Investment Amount		
		Cost of Living Adjustment %		
		Cost of Living Increase		
				Subtotal
Year		Adjusted Investor Equity		
		Investor:		
		Investment Amount		
		Cost of Living Adjustment %		
		Cost of Living Increase		
				Subtotal
Year		Adjusted Investor Equity		
		Investor:		
		Investment Amount		
		Cost of Living Adjustment %		
		Cost of Living Increase		
				Subtotal
Year		Adjusted Investor Equity		
		Investor:		
		Investment Amount		
		Cost of Living Adjustment %		
		Cost of Living Increase		
				Subtotal
Year		Adjusted Investor Equity		
		Investor:		
		Investment Amount		
		Cost of Living Adjustment %		
		Cost of Living Increase		
				Subtotal

						Subtotal
Year		Adjusted Investor Equity				
		Investor:				
		Investment Amount				
		Cost of Living Adjustment %				
		Cost of Living Increase				
						Subtotal
Year		Adjusted Investor Equity				
		Investor:				
		Investment Amount				
		Cost of Living Adjustment %				
		Cost of Living Increase				
						Subtotal
Year		Adjusted Investor Equity				
		Investor:				
		Investment Amount				
		Cost of Living Adjustment %				
		Cost of Living Increase				
						Subtotal
Year		Adjusted Investor Equity				
		Investor:				
		Investment Amount				
		Cost of Living Adjustment %				
		Cost of Living Increase				
						Subtotal

Year		Adjusted Investor Equity			
		Investor:			
		Investment Amount			
		Cost of Living Adjustment %			
		Cost of Living Increase			
					Subtotal
Total Adjusted Investor Equity				\$	

\$	-	Cost of Living Increase		\$	-
\$	-			Subtotal	\$ -
Ye		Adjusted Investor Equity			
		Investor:			
		Investment Amount			
		Cost of Living Adjustment %			
\$	-	Cost of Living Increase		\$	-
\$	-			Subtotal	\$ -
Ye		Adjusted Investor Equity			
		Investor:			
		Investment Amount			
		Cost of Living Adjustment %			
\$	-	Cost of Living Increase		\$	-
\$	-			Subtotal	\$ -
Ye		Adjusted Investor Equity			
		Investor:			
		Investment Amount			
		Cost of Living Adjustment %			
\$	-	Cost of Living Increase		\$	-
\$	-			Subtotal	\$ -
Ye		Adjusted Investor Equity			
		Investor:			
		Investment Amount			
		Cost of Living Adjustment %			
\$	-	Cost of Living Increase		\$	-
\$	-			Subtotal	\$ -

	Ye	Adjusted Investor Equity			
		Investor:			
		Investment Amount			
		Cost of Living Adjustment %			
\$ -		Cost of Living Increase			\$ -
\$ -				Subtotal	\$ -
	Ye	Adjusted Investor Equity			
		Investor:			
		Investment Amount			
		Cost of Living Adjustment %			
		Cost of Living Increase			\$ -
\$ -				Subtotal	\$ -
	Ye	Adjusted Investor Equity			
		Investor:			
		Investment Amount			
		Cost of Living Adjustment %			
		Cost of Living Increase			\$ -
\$ -				Subtotal	\$ -
	Ye	Adjusted Investor Equity			
		Investor:			
		Investment Amount			
		Cost of Living Adjustment %			
		Cost of Living Increase			\$ -
\$ -				Subtotal	\$ -
	Ye	Adjusted Investor Equity			
		Investor:			
		Investment Amount			
		Cost of Living Adjustment %			
		Cost of Living Increase			\$ -

\$	-					Subtotal	\$	-
		Ye	Adjusted Investor Equity					
			Investor: [Redacted]					
			Investment Amount					
			Cost of Living Adjustment %					
			Cost of Living Increase					
							\$	-
\$	-					Subtotal	\$	-
		Ye	Adjusted Investor Equity					
			Investor: [Redacted]					
			Investment Amount					
			Cost of Living Adjustment %					
			Cost of Living Increase					
							\$	-
\$	-					Subtotal	\$	-
		Ye	Adjusted Investor Equity					
			Investor: [Redacted]					
			Investment Amount					
			Cost of Living Adjustment %					
			Cost of Living Increase					
							\$	-
\$	-					Subtotal	\$	-
		Ye	Adjusted Investor Equity					
			Investor: [Redacted]					
			Investment Amount					
			Cost of Living Adjustment %					
			Cost of Living Increase					
							\$	-
\$	-					Subtotal	\$	-

New York State Homes and Co

Low Income Housing Tax C

Worksheet C

Other Capital Contribu

Code Section 42(h)(6)(F)

Instructions

The **Qualified Contract Price** includes the amount of other capital contributions made with respect to the project. For guidance from the Internal Revenue Service) and, therefore, include "in kind" contributions such as land. However, if contribution, the value you have assigned to the contribution, and your justification for assigning that value.

Do Not include in this **Worksheet C** any amounts included in Worksheets A or B. Further, all amounts included in this

After setting forth the required information with respect to each contribution, please total the contribution amounts and

Investment Amount

Name of Investor:

Date of Investment

Use of Contributions/Proceeds:

Other Information:

Investment Amount

Name of Investor:

Date of Investment

Use of Contributions/Proceeds:

Other Information:

Investment Amount

Name of Investor:

Date of Investment

Use of Contributions/Proceeds:

Other Information:

				Total of Other Contributions			\$ -

[Redacted]						[Redacted]
[Redacted]	[Redacted]					[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

New York State Home

Low Income Home

W

Cash Distributions From

Code S

Instructions

The **Qualified Contract Price** is reduced by the total of all cash distributions from, or available from, the project

In **Section A**, set forth all cash distributions with respect to the project for all of the calendar years of the Project and payments, after the payment of operating expenses, debt service, and reserve). Distributions set forth in Section A (i) amounts distributed (such as partnership management fees, incentive management fees and guaranty fees) and (ii) amounts distributed to reduce the Qualified Contract Price by payments of deferred Developer Fee to the extent the amount of such fee exceeds the amount of such fee. Amounts distributed to reduce the Qualified Contract Price should be listed as available for distribution (such as deferred Developer Fee).

The Qualified Contract Price is reduced not only by cash distributions made with respect to the project but also by distributions made with respect to the project's operating accounts and the amounts thereof that are available for distribution. Until such time as guidance is provided by the Department of Taxation and Finance, distributions made with respect to the project's operating accounts on or before the expiration of the one year qualified contract period should be listed as available for distribution.

Finally, **Section C** requires you to set forth and describe any non cash distributions that have been made with respect to the project.

To complete **Worksheet D**, total the qualifying cash distributed for all calendar years under **Section A** and the amounts distributed under **Section A(v)** of the **Calculation Form**.

Section A.	Cash Distributed			
Year	Distributions			
Total Distributions				
Recipient:				
Characterization of Distribution:				
Year	Distributions			
Total Distributions				
Recipient:				
Characterization of Distribution:				

Year	Distributions			
Total Distributions				
Recipient:				
Characterization of Distribution:				
Year	Distributions			
Total Distributions				
Recipient:				
Characterization of Distribution:				
Year	Distributions			
Total Distributions				
Recipient:				
Characterization of Distribution:				
Year	Distributions			
Total Distributions				
Recipient:				
Characterization of Distribution:				
Year	Distributions			
Total Distributions				
Recipient:				
Characterization of Distribution:				
Year	Distributions			
Total Distributions				

Recipient:					
Characterization of Distribution:					
Year	Distributions				
Total Distributions					
Recipient:					
Characterization of Distribution:					
Year	Distributions				
Total Distributions					
Recipient:					
Characterization of Distribution:					
Year	Distributions				
Total Distributions					
Recipient:					
Characterization of Distribution:					
Year	Distributions				
Total Distributions					
Recipient:					
Characterization of Distribution:					

Year	Distributions			
Total Distributions				
Recipient:				
Characterization of Distribution:				
Total Distributions:				\$

Workshe

Section B.	Cash Available for Distribution			
Amounts Held in Replacement Reserve Account(s)				
Amount Available for Distribution				
Amounts Held in Operating Reserve Account(s)				
Amount Available for Distribution				
Amounts Held in Other Reserve Accounts				
Account				
Amount Held				
Amount Available for Distribution				
Account				
Amount Held				
Amount Available for Distribution				
Account				

		Amount Held		
		Amount Available for Distribution		
Amounts Held in Partnership Accounts Other than Reserves				
		Amount Available for Distribution		
T Total Amount Available for Distribution			\$	-
T Total Cash Distributed and Available for Distribution			\$	-
Section C. All Non-Cash Distributions				
Asset Distributed				
Recipient				
Date of Distribution				
Estimated Value of Asset at the time of Distribution				
Reason for /or Characterization of Distribution				
Asset Distributed				
Recipient				
Date of Distribution				
Estimated Value of Asset at the time of Distribution				
Reason for /or Characterization of Distribution				

	Year	Distributions	
		Total Distributions	
		Recipient:	
		Characterization of Distribution:	
	Year	Distributions	
		Total Distributions	
		Recipient:	
		Characterization of Distribution:	
	Year	Distributions	
		Total Distributions	
		Recipient:	
		Characterization of Distribution:	
	Year	Distributions	
		Total Distributions	
		Recipient:	
		Characterization of Distribution:	
	Year	Distributions	
		Total Distributions	
		Recipient:	
		Characterization of Distribution:	
	Year	Distributions	
		Total Distributions	

		Recipient:	
		Characterization of Distribution:	
	Year	Distributions	
		Total Distributions	
		Recipient:	
		Characterization of Distribution:	
	Year	Distributions	
		Total Distributions	
		Recipient:	
		Characterization of Distribution:	
	Year	Distributions	
		Total Distributions	
		Recipient:	
		Characterization of Distribution:	
	Year	Distributions	
		Total Distributions	
		Recipient:	
		Characterization of Distribution:	
	Year	Distributions	
		Total Distributions	
		Recipient:	
		Characterization of Distribution:	

**New York State Homes and Community Renewal
Low Income Housing Tax Credit**

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Worksheet E

Fair Market Value on Non Low Income Property

**Set forth or attach to this worksheet the appraisal, study, measurement, and
fair market value of the non-low income property.**

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Community Renewal

Grant Program

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Portion of Building(s)

Methodology proof or other support for the retention of the building(s).

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