M/WBE BUILD UP PROGRAM

Implementation Guidance for Developers/Borrowers

Calculating the Minimum Goal

What Are HPD/HDC-Supported Costs?

The HPD/HDC-supported costs are identified by accounting for the project costs and HPD/HDC contribution rate. Specifically, HPD/HDC-supported costs are calculated by multiplying the applicable costs and the proportion of the deal that is subsidized by the City (i.e. HPD/HDC contribution rate).

See the formula below for details on calculating HPD/HDC-supported costs and the minimum goal:

	HPD/HDC-Supported Costs		Minimum Goal Rate (%)
M/WBE Minimum Goal ($) =	**Applicable Costs ($)** X	**HPD/HDC Contribution Rate (%)** X	**Minimum Goal Rate (%)**
	$\dfrac{\text{Applicable Hard and Soft Costs*}}{}$	$\dfrac{\text{HPD/HDC Contribution**}}{\text{TDC***}}$	25%

*Applicable costs are a subset of all project costs. Costs are applicable if developers/borrowers or general contractors have the ability to hire or influence the hiring of a firms. See the Applicable Costs guide for more details on which types of costs are applicable.

**The HPD/HDC Contribution is the sum of the:

- *Direct City investment (i.e. City Capital, Reso A, 421-a Fund, Our Space, etc.),*
- *HDC subsidy (i.e. HDC Green Reserves, HDC Subsidy), and*
- *Net Value of Conveyed or Leased City Land:*
  - *As Is appraisal value of Conveyed City-Owned Land (minus the acquisition fee)*
  - *NPV of Market value of ground lease (minus NPV of ground lease)*

*** The Net Value of Conveyed or Leased City Land will be added to the Total Development Costs (TDC) when City-Owned land is conveyed or leased with the project.