



## HOMEfires - Vol. 12 No. 1, Revised July, 2017

**Q.** Can the Office of Community Planning and Development (CPD) within a HUD Field Office allow a HOME participating jurisdiction (PJ) that is not listed on the published list of “Base City High Cost Percentages” to use the high-cost percentage of its HUD Multifamily Regional Office to determine the maximum per-unit subsidy limits for HOME?

**A.** Yes. HOME PJs must contact the CPD Division in their local HUD Field Office to obtain the Section 234 basic mortgage limits and the appropriate HCP for their area. CPD Field Offices can determine the HOME maximum per-unit subsidy limits for their HOME participating jurisdictions (PJs) by applying the higher of the high cost percentage (HCP) listed for the PJ’s Multifamily Regional Office or, if the PJ is among one of the base cities listed on the published “Base City High Cost Percentages,” its specific, published HCP up to 240 percent of the Section 234 basic mortgage limit.

Each year HUD’s Office of Multifamily Housing publishes a list of Base City HCPs. The most recent list is posted on the [HUD Exchange](#). The list contains HCPs for each Multifamily Regional Office and specific HCPs for select cities listed under each Regional Office. CPD Field Offices may allow their HOME PJs to use the higher of their Regional Office’s HCP or, if the PJ is listed on the Base City High Cost Percentages list, the HCP identified for the PJ. **However, CPD may not allow an HCP of more than 240 percent of the base limit to be used by any PJ.**

For example, based on the table below of the 2016 “Base City High Cost Percentages” list:

- CPD Field Offices may allow any PJ under the Atlanta, San Francisco, Chicago, or New York Regional Offices to use an HCP of 240 percent because the allowable HCP for each of these Regional Offices is higher than the HOME maximum of 240 percent.
- The Fort Worth CPD Field Office may only allow PJs under the Fort Worth, TX Regional Office to use the higher of the Regional Office HCP (215 percent) or the limit for the specific base city. For example:
  - Kansas City, MO may use an HCP of 240 percent, the HOME maximum allowable.
  - Omaha, NE may use an HCP of 224 percent, which is higher than the Fort Worth, TX Regional Office HCP of 215 percent.
- San Antonio, TX may use an HCP of 215 percent - the HCP for the Fort Worth, TX Regional Office - although the City’s individual HCP is only 192 percent.

NOTE: PJs **are not** permitted to use high cost percentages that are not listed on the annual “Base City High Cost Percentages” list published by HUD’s Office of Multifamily Housing.

**FHA Multifamily Statutory Mortgage Programs  
Base Percentages for High Cost Areas – Effective January 2016**

<b>Atlanta GA – Southeast Regional Office</b>	252%	<b>Ft. Worth TX – Southwest Regional Office</b>	215%	<b>San Francisco CA – Western Regional Office</b>	270%
Birmingham AL	221%	Dallas TX	212%	Los Angeles CA+	270%
Little Rock AR	212%	Houston TX	209%	Sacramento CA+	270%
Jacksonville FL*	243%	Lubbock TX	209%	San Diego CA+	270%
Key West FL+	270%	San Antonio TX	192%	Santa Ana CA+	270%
Miami FL	253%	Little Rock AR	212%	Anchorage AK**	405%
Tampa FL	265%	Des Moines IA	242%	Phoenix AZ	248%
Louisville KY	239%	Topeka KS	233%	Denver CO*+	270%
Jackson MS	212%	New Orleans, LA	218%	Boise ID+	270%
Greensboro NC	244%	Shreveport LA	221%	Honolulu HI**	405%
San Juan PR+	270%	Kansas City MO*+	270%	Helena MT	250%
Columbia SC	237%	St. Louis MO	270%	Fargo ND	249%
Knoxville TN	226%	Omaha NB	224%	Las Vegas NV+	270%
Memphis TN	220%	Oklahoma City OK	233%	Portland OR+	270%
Nashville TN	223%	Tulsa OK	226%	Salt Lake City UT	261%
US Virgin Islands**	405%			Seattle WA+	270%
				Spokane WA+	270%
				Casper WY	262%
<b>Chicago IL – Midwest Regional Office</b>	270%	<b>New York NY – Northeast Regional Office</b>	270%		
Springfield IL+	270%	Albany NY+	270%		
Indianapolis IN	248%	Buffalo NY+	270%	<b>Satellite Office - *</b>	
Detroit MI*+	270%	Hartford CT+	270%	<b>Special Limit- **</b>	
Grand Rapids MI	243%	Washington DC+	270%		
Minneapolis MN*+	270%	Wilmington DE+	270%		
Cincinnati OH	248%	Boston MA*+	270%		
Cleveland OH+	270%	Bangor ME+	270%		
Columbus OH	248%	Baltimore MD*+	270%		
Milwaukee WI+	270%	Manchester NH+	270%		
		Camden NJ+	270%		
		Newark NJ+	270%		
		Philadelphia PA+	270%		
		Pittsburgh PA+	270%		
		Providence RI+	270%		
		Richmond VA+	270%		
		Burlington VT+	270%		
		Charleston WV+	270%		

Note: Offices with a “calculated” HCP of 281.70 (before the statutory cap of 270) or higher are designated “High Cost Areas” and are marked with a plus sign (+). The Multifamily for Tomorrow (MFT) Transformation has been completed, so this Housing Notice reflects the MFT changes with respect to the new organizational structure.

While [CPD Notice 15-003](#) sets the maximum per-unit subsidy limit, a PJ may not invest the maximum allowable amount of HOME funds **unless** the PJ has determined that this funding is needed to make the project feasible and viable. [24 CFR 92.250\(b\)](#) requires each PJ to evaluate each project in accordance with the subsidy layering and underwriting guidelines it has adopted before it commits HOME funds to a project. PJs must analyze each project to ensure that the HOME investment is necessary and reasonable to provide quality affordable housing that is financially viable throughout the period of affordability.

HOME PJs with questions about this HOMEfires should [contact their local HUD CPD Field Office](#). CPD Field Offices should direct their questions to HUD's Office of Affordable Housing Programs.