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**

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

**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.