REVISED for NEW CONSTRUCTION COST LIMITS
REVISED Multifamily Housing Notice: 08-12

October 22, 2008

To: Developers, Sponsors and Local Housing Contacts

From: Patricia Rynn Sylvester, Director, Multifamily Housing

Re: ● *Fall 2008 Competitive Funding Round Reminder*
● *Multifamily Rental Financing Program Guide Updates:*
   -Required Raise Up Rate for Projecting Low Income Housing Tax Credit Equity
   -Imputed Raise Up Rate for Low Income Housing Tax Credits
   ### *-Construction Cost Limits-REVISED*

Fall 2008 Competitive Funding Round Deadline-Reminder
Applications for the Fall 2008 Competitive Funding Round are due no later than Tuesday, December 16, 2008 at 5:00 PM. Applications must be delivered to the mailroom on the ground floor of 100 Community Place, Crownsville, Maryland 21032. The Fall 2008 Competitive Funding Round will be governed by the 2009 Qualified Allocation Plan (QAP) and the Multifamily Rental Financing Program Guide (Guide). Drafts of these documents are on the Department website and are substantially similar to the QAP and Guide dated May 13, 2008, also on the Department website, with updates for the passage of HR 3221. Proposed changes to the QAP and Guide include: 1) the implementation of the state 30% basis boost; 2) fixing of the 9% applicable percentage for qualifying projects; 3) increasing the limit for tax credit requests to $1.5 million; and 4) extending the 10% test deadline to 10 months following receipt of a Carryover Allocation. Please review all proposed changes to the QAP and Guide to properly complete project applications. We estimate final approval of the Draft 2009 QAP and Guide late this month. Applicants in the Fall 2008 Competitive Funding Round should use the Application Submission Package available on the DHCD website.

Please see below for important updates of the Multifamily Rental Financing Program Guide that pertain to the Fall 2008 Competitive Funding Round.

Raise Up Rate to be Used in Application Form 202 – The Department is requiring all applications submitted in the Fall 2008 round to use **$0.72** on the line "Raise Ratio from Syndicator's Proposal," page 19, "Low Income Housing Tax Credit" section of the 202 Application excel form. The resulting tax credit equity amount should be used to develop the project application financing Sources. The Department is establishing this requirement in response to the current financial market conditions. However, each application must still include a letter from a syndication firm as required under Section 3.7.1 of the 2009 Guide.

Imputed Raise Up Rate for Leveraging Calculation – Per Section 4.6.1 of the 2009 Guide, Leveraging, the Imputed Raise Up Rate for Low Income Housing Tax Credits to be used in the Fall 2008 Competitive Funding Round is **$0.72**.

Construction Cost Limit Update – Per Section 4.5 of the 2009 Guide, Construction or Rehabilitation Costs, the applicable Maximum Construction Costs per Gross Square Foot are updated as follows:

Maximum Construction Costs per Gross Square Foot (Fall 2008) REVISED		
Type of Building	**New Construction**	**Rehabilitation**
Townhouses	$124	$128
Cottage, Single Family and Semi-detached Dwellings	124	128
Garden Apartments	104	80
Units Stacked – no elevators	113	93
Elevator Buildings (≤ 4 floors with frame construction)	113	93
Elevator Buildings (≥ 5 floors with concrete construction)	124	97

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Please remember that we are announcing future round deadlines, significant application changes, bond program amendments and other key dates and facts on our web site and by e-mail only. Please make sure that we have your current e-mail address. Please send any additions or corrections to taxcredits@mdhousing.org or rentalhousing@mdhousing.org as soon as possible.

Thank you for your interest and participation in the multifamily housing programs in Maryland.

Multifamily Housing Programs
Community Development Administration
Maryland Department of Housing and Community Development
100 Community Place
Crownsville, MD 21032-2023
taxcredits@mdhousing.org or rentalhousing@mdhousing.org
410-514-7446
Toll Free (Maryland Only) 800-543-4505

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