

# Multifamily Programs Notice 06-1 March 22, 2006

To: Developers and Sponsors

From: Pat Sylvester, Director, Multifamily Housing

Re:

*Spring 2006 Funding Round Update – Important Construction Cost Limit Update 2005 Qualified Allocation Plan (QAP) Technical Revisions Revised Draft Low Income Housing Tax Credit, Multifamily Bond and HOME Program Compliance Handbook Available for Comment until April 1, 2006 2006 Low Income Housing Tax Credit Income Limits Released John R. Maneval Named Deputy Director, Multifamily Housing Development*

*Spring 2006 Funding Round Update – Sponsors are reminded that the current deadline for the Spring 2006 Funding Competition for federal Low Income Housing Tax Credits and Rental Housing Funds remains unchanged. Applications are due at the Department of Housing and Community Development’s (DHCD’s) mailroom on the ground floor at 100 Community Place Crownsville, Maryland 21032 not later than 5:00 p.m., May 1, 2006.*

Also, per Section 4.5.1 (pg. 44), Leveraging, of the Guide, the Imputed Raise Up Rate to be used in the May 1, 2006 Competitive Funding Round will be \$0.91.

In addition, there is an important technical revision to the revised 2005 [Multifamily Rental Financing Program Guide: Attachment to the 2005 QAP](#) affecting applications for the upcoming competition. Section 3.7.5, Construction or Rehabilitation Costs, is revised to adjust the Maximum Construction Costs per Gross Square Foot to account for inflation as follows:

(Rev. 3/20/06)		
Maximum Construction Costs per Gross Square Foot	New Construction	Rehabilitation
Type of Building		

Townhouses	\$97	\$101
Cottage, Single Family and Semi-detached Dwellings	97	101
Garden Apartments	82	63
Units Stacked – no elevators	89	73
Elevator Buildings ( < 4 floors with frame construction)	89	73
Elevator Buildings ( > 5 floors with concrete construction)	97	76

More information about the inflator used to make the adjustments can be found below:

**2005 Qualified Allocation Plan (QAP) Technical Revisions** - In preparation for the Spring 2006 competition, DHCD is releasing a revision (3/20/06) of the current 2005 [Multifamily Rental Financing Program Guide: Attachment to the 2005 QAP](#) . These changes are designed to conform the Guide to the recently completed (March 13, 2006) consolidation of the Rental Housing Fund regulations and other necessary clarifications, and do not require public comments or gubernatorial approval. Of particular importance for the competition are revisions to the construction cost limits at Section 3.7.5. Per square foot cost limits have been increased by 5.2% in conformance with the Construction Cost Index published by McGraw-Hill Construction's Engineering News Record. In addition, the fee language for Non-parity Indenture Costs of Issuance for the Multifamily Bond Program (MBP) at Exhibit A of the Guide is revised.

**Revised Draft Low Income Housing Tax Credit, Multifamily Bond and HOME Program Compliance Handbook Available for Comment until April 1, 2006** – A draft of the revised [Compliance Manual](#) is now available for comment. The Compliance Manual was updated to include the most current guidance from the IRS as well as to reflect the reorganization of Multifamily Programs.

**2006 Low Income Housing Tax Credit Income Limits Released** – On March 8, 2006, HUD issued its income limits for 2006. Updated [2006 Rent and Income Limits](#) for the federal Low Income Housing Tax Credit Program effective March 8, 2006 now are available through DHCD's website. Updated income limits for various State loan programs are still in preparation but will be released shortly. Subscribers to our internet mail service will be notified as soon as the State limits are available.

Please note that for this year HUD made changes to 2 Metropolitan Statistical Areas (MSA's) affecting several Maryland counties. These adjustments were required by the

federal Office of Management and Budget (OMB) in order to reflect demographic changes reflected in the 2000 Census. Cecil County , formerly located in the Wilmington , DE MSA, is now incorporated into the Philadelphia , PA MSA. In addition, a new Salisbury MSA was created which incorporates both Somerset and Wicomico Counties . For more information on HUD's reorganization of MSA's nationwide, please consult the December 16, 2005 issue of the Federal Register, Vol. 70, No. 24, pp. 74988-74993. The official Home and Urban Development (HUD) income limits are available through the [HUDUser website](#).

*John R. Maneval Named Deputy Director, Multifamily Housing Development* – I am pleased to announce that John R. Maneval has accepted the position of Deputy Director, Multifamily Housing Development. He will be filling the vacancy created when Yvonne Johnson was promoted to be the Director of CDA Outreach and Marketing. John's promotion is effective immediately, and I hope you will join me in welcoming him to his new role. He has been and will continue to be an outstanding member of our Multifamily Team!

**For More Information, Contact:**

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**Related Links**

[Multifamily Guide Rev2, 3/20/06](#)

[Draft Compliance Handbook](#)

[2006 Income Limits - LIHTC](#)

Links labeled with "(PDF)" require Adobe Acrobat Reader to be viewed properly. Adobe Acrobat Reader is a free product. Click here to [download Adobe Reader](#) for free.