DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Assistant Secretary for Housing-Federal Housing Commissioner [Docket No. N-95-3863; FR-3829-N-01]

Notice of Funding Availability (NOFA) for Fiscal Year 1995, Section 8 Community Investment Demonstration Program

AGENCY: Office of the Assistant Secretary for Housing-Federal Housing Commissioner, HUD.

ACTION: Notice of funding availability (NOFA) for Fiscal Year (FY) 1995.

SUMMARY: This NOFA announces the availability of up to \$251,168,250 of FY 1995 section 8 budget authority for a national competition to be administered by the Department of Housing and Urban Development pursuant to section 6 of the HUD Demonstration Act of 1993. That section directs the Secretary to carry out "a demonstration program to attract pension fund investment in affordable housing through the use of project-based rental assistance under section 8 of the United States Housing Act of 1937." This NOFA invites pension funds (public or private) or their affiliates, as defined in Section I(c) of this NOFA, to submit applications to participate in this new demonstration program.

Under the Section 8 Community Investment Demonstration Program, selected pension funds will provide permanent financing for the newly constructed or substantially rehabilitated affordable multifamily rental housing to be occupied by low income families. Each selected pension fund will receive a set-aside of Section 8 budget authority to be used as rental assistance payments. This project-based rental assistance will supplement rents paid by the low income occupants of the dwelling units in the project. No more than 50 percent of the units in any project (except properties owned by HUD or properties with mortgages held by HUD) may be assisted; however, HUD may provide exceptions to this rule for limited special circumstances such as meeting the needs of the homeless, disabled or displaced. In the case of HUD-owned properties, the number of units required to be assisted will be determined in the disposition plan in accordance with statutory requirements. The pension fund will provide assistance from its set-aside for one-half the number of units to be assisted as determined in the disposition plan; HUD will provide the

other one-half from its property disposition set-aside.

Participating pension funds will select properties they wish to permanently finance and will submit project-specific proposals to HUD for approval. If the project-specific proposal is approved by HUD, a portion of the pension fund's Section 8 set-aside will be reserved for the project. After completion of construction or rehabilitation, pursuant to an agreement between HUD and the project owner, a **Housing Assistance Payments Contract** (Contract) will be executed between the owner and HUD. Under this Contract, the owner will be responsible for all management and operation of the project, including determining eligibility of and leasing to low-income families.

This NOFA contains information for applicants regarding the allocation of section 8 budget authority; the application process, including the application requirements and the deadline for filing applications; pension fund selection criteria; and the criteria for selecting specific projects to be financed and assisted.

Detailed instructions and guidelines for implementing this demonstration are contained in HUD Notice 95–2. Prospective applicants should request a copy of this Notice from the HUD program office referred to below before submitting an application to participate in the demonstration.

DATES: Applications must be received no later than 5:00 pm EST on March 16, 1995. The above-stated application deadline is firm as to date, hour and place, unless HUD extends the deadline by an appropriate notice in the **Federal Register**. In the interest of fairness to all competing applicants, the Department will treat as ineligible for consideration any application that is received after the deadline. Applicants should take this practice into account and make early submission of their materials to avoid any risk of loss of eligibility brought about by unanticipated delays or other delivery-related problems.

ADDRESSES: The HUD headquarters is the official place of receipt of all applications. The address is Department of Housing and Urban Development, Office of Insured Multifamily Housing Development, Room 6134, 451 Seventh Street, SW, Washington, DC 20410–8000. Each submission should be clearly identified on the exterior as a "Section 8 Community Investment Demonstration Program Application." FOR FURTHER INFORMATION CONTACT: Joseph E. Malloy, Office of Insured Multifamily Housing Development,

Room 6134, telephone (202) 708–3000, or Richard L. Schmitz, Policies and Procedures Division, Room 6138, telephone (202) 708–1113, at the address indicated above. The telecommunications device for the deaf (TDD) telephone number is (202) 708–4594. (These are not toll-free numbers.)

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act Statement

The information collection requirements contained in this NOFA have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1980. OMB has approved the section 8 information collection requirements under the assigned control number 2577–0169.

(I) Purpose and Substantive Description

(A) Background

Section 6 of the HUD Demonstration Act of 1993 (Pub. L. 103-120, 107 Stat. 1144, approved October 27, 1993) directs the Secretary of HUD to carry out a demonstration program to attract pension fund investment in affordable housing through the use of project-based rental assistance under section 8 of the United States Housing Act of 1937. In carrying out this demonstration program the Secretary must ensure that not less than 50 percent of the funds appropriated for each year are used in conjunction with the disposition of either: (1) Multifamily properties owned by the Department; or (2) multifamily properties securing mortgages held by the Department.

In FY 1994, an appropriation of \$100 million was authorized and provided to carry out this demonstration program. On April 26, 1994 (59 FR 21826), HUD announced the availability of \$100 million in FY 1994 section 8 budget authority for a national competition to be administered by the Department of Housing and Urban Development pursuant to Section 6 of the HUD Demonstration Act of 1993 (the Act). Six pension funds were selected to participate in this demonstration in response to the April 1994 NOFA. The full \$100 million in budget authority was set aside for use in connection with the new construction or substantial rehabilitation of affordable multifamily rental housing to be developed under this demonstration.

Approximately \$334,891,000 has been authorized and provided for FY 1995. This NOFA announces the availability of up to \$251,168,250 of FY 1995 budget authority. A separate NOFA, announcing the availability of the remaining budget authority, will be