(D) Pension Fund Applications

All applications from pension funds must contain information specifying the number of projects and units expected to be financed, the number and percent in each project expected to receive Section 8 assistance, contract terms anticipated, anticipated initial contract rents, total Section 8 budget authority requested, the number of units to be newly constructed and the number to be substantially rehabilitated; types of families (e.g., elderly or large families or families with special needs (disabled, displaced or homeless)) and number of each expected to be assisted. Pension funds that submitted applications in response to the April 26, 1994 NOFA, including those pension funds that were selected, must submit applications in response to this NOFA if they wish to be eligible for a portion of the FY 1995 budget authority.

All applications must contain sufficient supporting information, in narrative and/or numerical form, as appropriate, to enable HUD to evaluate the applicant on the basis of the Pension Fund Selection Criteria set forth in subpart (E) below.

(E) Pension Fund Selection Criteria

All applications for participation in the demonstration will be evaluated on the basis of the following criteria:

- 1. Past involvement in and capacity to permanently finance multifamily housing;
- 2. Capability to make overall program and mortgage finance decisions;
- 3. Use of its own resources, including how it will maximize any Section 8 setaside awarded to it;
- 4. Current multifamily pipeline and ability to move housing to construction/rehabilitation start in a short time frame;
- 5. Use of HUD-owned properties or properties with mortgages held by HUD in a variety of geographic locations (required of Category A applicants only);
- 6. Efforts to promote economic or neighborhood development and/or employment opportunities for project area residents while achieving ethnic, cultural and gender diversity;
- 7. Efforts to ensure compliance with the requirements of section 3 and the implementing regulations at 24 CFR part 135 by project owners, contractors and subcontractors; and
- 8. Consideration of housing needs created by dislocation of major employment sources.

Additional, more detailed information and instructions with respect to the above criteria, as well as on application and program procedures in general, are contained in HUD Notice 95–2 which will be provided to pension funds upon request to the HUD program headquarters office referred to above. Applicants should refer to HUD Notice 95–2 for details as to the supporting information required for each criterion.

Acceptable applications received by the deadline date and time specified above will be evaluated against each other. Category A applications will be evaluated separately from Category B applications. Applications will be selected on the basis of numerical ratings assigned to the criteria identified above.

The Department will formally notify each pension fund as to whether or not it was selected to participate in this demonstration program and the amount of set-aside awarded.

(F) Guidelines on Eligible and Ineligible Projects

Pension funds selected by HUD to participate in this demonstration must submit proposals for projects they wish to permanently finance to the Department for approval.

1. Eligible Projects

New construction projects are eligible under this demonstration. In addition, the following types of existing projects are eligible for substantial rehabilitation:

- A multifamily project owned by the Secretary or subject to a mortgage held by the Secretary;
- —A multifamily project eligible for assistance as a troubled project under section 201 of the Housing Community Development Amendments of 1978;
- —A multifamily project located in an empowerment zone or enterprise community designated pursuant to Federal law;
- Any other multifamily project, including those to be occupied by homeless persons or homeless families as defined in section 103 of the Stewart B. McKinney Homeless Assistance Act.

2. Ineligible Projects

Certain projects are not eligible for use in this demonstration. These include:

- (a) Projects that are subject to mortgage prepayment restrictions, including projects meeting the definition of "eligible low income housing" under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA);
- (b) Projects that are subject to section 250(a) of the National Housing Act; and

(c) High rise elevator projects for families with children unless HUD determines there is no practical alternative.

(G) Project Selection Criteria

Pension funds may establish their own criteria for selecting projectspecific proposals but such criteria must, in the aggregate, reflect the following public purposes to the satisfaction of the Secretary:

- —Achieving economic mix;
- Increasing housing choices and fostering neighborhood diversity;
- Providing affordable housing for large, low-income families and providing access to necessary supportive facilities and services;
- —Involving other state and local and public and private resources to achieve these objectives and to limit Section 8 assistance to less than 50 percent of the units (except in HUDowned properties or properties with mortgages held by HUD and under limited special circumstances approved by HUD such as assistance for homeless, disabled, or displaced;
- Facilitating maximum use of available Section 8 budget authority by limiting gross rents to less than the Fair Market Rent Limitations and contract terms to less than 15 years;
- Facilitating geographic/locality diversity of project sites and complying with any applicable court orders;
- —For Category A participants, using HUD owned properties and properties with mortgages held by HUD in a variety of geographic locations, and giving preferences to projects in Empowerment Zones;
- Meeting special needs of homeless, disabled, or displaced individuals;
 and
- —Complying with section 3 responsibilities, as set forth in 24 CFR part 135.

A list of HUD-owned properties is available from HUD Headquarters, Office of Preservation and Property Disposition, telephone (202) 708–3343, or (202) 708–4595 (TDD). Information on properties with mortgages held by HUD is available from the Office of Multifamily Housing Management in HUD Headquarters, telephone (202) 708–3730, or (202) 708–4594 (TDD).

More detailed information with respect to these criteria and methods of selection is contained in HUD Notice 95–2. HUD Notice 95–2 sets forth the format and specific information needed for pension funds to meet the requirements of this subpart (G).