

**DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

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**SELF-HELP HOMEOWNERSHIP  
PROGRAM (SHOP)**



## FUNDING AVAILABILITY FOR SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM (SHOP)

### Program Overview

*Purpose of the Program.* To facilitate and encourage innovative homeownership opportunities through self-help housing where the homebuyer contributes a significant amount of sweat-equity toward the construction of the new dwelling.

*Available Funds.* Approximately \$20 million.

*Eligible Applicants.* You must be a nonprofit national or regional organization or consortium.

*Application Deadline.* May 29, 2001.

*Match.* None.

### Additional Information

If you are interested in applying for funding under this program, please review carefully the General Section of this SuperNOFA and the following additional information:

#### I. Application Due Date, Standard Forms, Further Information, and Technical Assistance

*Application Due Date.* Applications for SHOP grants must be physically received by HUD on or before 12:00 midnight, Eastern time on May 29, 2001.

See the General Section of this SuperNOFA for specific procedures governing the form of application submission (e.g., mailed applications, express mail, overnight delivery, or hand carried).

*Address for Submitting Applications.* Submit one original and two copies of the application to Department of Housing and Urban Development, Office of Community Planning and Development, Processing and Control Unit, 451 Seventh Street, SW, Room 7251, Washington, DC 20410, ATTN: Self-Help Homeownership Opportunity Program.

*For Application Forms.* There is no separate application kit. This notice contains all the information necessary for submission of your application. Copies of the standard forms are located in the General Section of this SuperNOFA or you may request copies by calling HUD's SuperNOFA Information Center at: 1-800-HUD-8929. If you have a hearing or speech impairment, please call the Center's TTY number at 1-800-HUD-2209. When requesting standard forms, you should refer to SHOP and provide your name and address (including zip code) and telephone number (including area code). See Section VI for application submission requirements. You may also access the application requirements on

the Internet through HUD's web site at [www.hud.gov](http://www.hud.gov).

*Further Information and Technical Assistance.* You may contact Lou Thompson, Office of Affordable Housing Programs, Department of Housing and Urban Development, Room 7168, 451 Seventh Street, SW, Washington, DC 20410; telephone (202) 708-2684, ext. 4594 (this is not a toll-free number). This number can be accessed via TTY by calling the Federal Information Relay Service Operator at 1-800-877-8339.

*Satellite Broadcast.* HUD will hold an information broadcast via satellite for potential applicants to learn more about the program and preparation of the application. For more information about the date and time of the broadcast, you should consult the HUD web site at <http://www.hud.gov>.

#### II. Amount Allocated

The amount available for this program is approximately \$20,000,000.

#### III. Program Description; Eligible Applicants; Eligible Activities

(A) *Program Description.* SHOP is intended to facilitate and encourage innovative homeownership opportunities on a national geographically-diverse basis through self-help housing where the homebuyer contributes a significant amount of sweat-equity toward the construction or rehabilitation of the dwelling.

Decent, safe, and sanitary non-luxury dwellings developed under SHOP must be made available to eligible homebuyers at prices below the prevailing market prices. Eligible homebuyers are low-income families (families whose annual incomes do not exceed 80 percent of the median income for the area, as established by HUD) who are unable to purchase a dwelling. Housing assisted under this Notice must involve community participation through the use of homebuyers and/or volunteers in the construction of dwellings and by other activities which involve the community in the project.

(B) *Eligible Applicants.* You must be a nonprofit national or regional organization or consortium that has the capacity and experience to provide or facilitate self-help housing homeownership opportunities. Local affiliates of national or regional organizations or consortia must apply as part of the national or regional organization or consortia and may not apply for SHOP independently. "Regional" is defined for the purpose of this program section of the SuperNOFA to be a "regional area" such as the Southwest or Northeast which must

include at least two or more States (the States need not be contiguous and the operational boundaries of the organization need not precisely conform to State boundaries). If you are a consortium, one organization must be chosen as the lead entity. The lead entity must submit the application and, if selected for funding, will execute the grant agreement and assume primary responsibility for carrying out grant activities in compliance with all program requirements. Other participants in your consortium must be identified in your application.

Your application may not propose a partnership with or funding for any affiliate or consortium member which is also included in another SHOP application. You must assure that any affiliate or consortium member under your FY 2001 application is not also seeking funding from another SHOP applicant for FY 2001 funds.

(C) *Eligible Activities.* The only eligible activities are: (1) land acquisition (including financing and closing costs), which may include reimbursing an organization, consortium, or affiliate, upon approval of any required environmental review, for nongrant amounts of the organization, consortium, or affiliate advanced to acquire land before completion of the review; (2) infrastructure improvements (installing, extending, constructing, rehabilitating, or otherwise improving utilities and other infrastructure, including removal of environmental hazards); and (3) administration, planning and management development as defined under the HOME Investment Partnerships Program (24 CFR part 92.207), and not to exceed 20 percent of any SHOP grant. Funding of eligible activities may be used for both single-family and multifamily dwellings.

(D) *Ineligible Costs:* Costs associated with the rehabilitation, improvement, or construction of dwellings are not eligible uses of program funds.

#### IV. Program Requirements

In addition to the program requirements listed in the General Section of this SuperNOFA, you are subject to the following SHOP requirements:

(A) *Statutory Requirements.* You must comply with all statutory requirements applicable to SHOP as cited in Section IX of this program section below. There are no regulations for this program. You must be capable of:

(1) Developing, through significant amounts of sweat-equity and volunteer labor, at least 30 dwellings at an average

cost of no more than \$10,000 per unit in SHOP funds;

(2) Using your grant to leverage other sources of funding, including private or other public funds;

(3) Developing quality dwellings that comply with local building and safety codes and standards and which will be available to homebuyers at prices below the prevailing market price; and

(4) Scheduling activities to expend all grant funds awarded and substantially fulfill your obligations under your grant agreement, including timely development of the appropriate number of dwelling units. Grant funds must be expended within 24 months, except that grant funds provided to affiliates that develop five or more units must expend funds within 36 months.

(B) *Economic Opportunities for Low- and Very Low-Income Persons (Section 3)*. If you fund infrastructure improvements under this program, you are required to comply with section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u (Economic Opportunities for Low- and Very Low-Income Persons) and the HUD regulations at 24 CFR part 135, including the reporting requirements in subpart E. Section 3 requires that you provide training, employment and other economic opportunities, to the greatest extent feasible, to: (1) low- and very low-income persons, particularly those who are recipients of government assistance for housing and (2) business concerns which provide economic opportunities to low- and very low-income persons.

## V. Application Selection Process

(A) *Rating*. HUD will review all applications in accordance with the Application Selection Process in the General Section of this SuperNOFA. HUD will review all applications based on the threshold factors listed in Section V(C) of this program section below. Applications which meet all threshold requirements will be rated according to the selection factors in this section of the SuperNOFA. Applications which do not meet all threshold factors will be rejected and not rated.

(B) *Ranking and Selection Procedures*. Applications that receive a total rating of 60 points or more (without the addition of EZ/EC bonus points) will be eligible for selection, and HUD will place them in rank order. After adding any bonus points for EZ/EC, HUD will consider rank order and funds availability in the selection and funding of applications.

HUD reserves the right to fund less than the full amount requested in any application to ensure a fair distribution

of the funds and that dwellings will be developed on a national geographically-diverse basis as required by the statute. HUD will not fund any portion of an application that is ineligible for funding under program statutory requirements, or which does not meet the requirements of the General Section of this SuperNOFA or the requirements in the SHOP section of the SuperNOFA. HUD will not fund any eligible applicant for less than the minimum amount necessary to complete at least 30 homes (at a maximum of \$10,000 per home or a lesser amount if lower costs are reflected in the application). If funds remain after all selections have been made, these funds may be available for other competitions.

(C) *Threshold Requirements*. The following threshold requirements apply specifically to SHOP. You must also be sure to address the threshold requirements listed in Section II(B) of the General Section of the SuperNOFA and must submit all forms, certifications, and assurances identified in Section II(G) of the General Section.

(1) You, the applicant, must be eligible to apply under SHOP (see Section III(B) of this program section of the SuperNOFA).

(2) The amount of funding you request must support no less than 30 self-help units and may not exceed an average amount of \$10,000 per unit.

(3) The population you plan to serve must be eligible under SHOP (see Section III(A) of this program section of the SuperNOFA).

(4) You must demonstrate that you have completed at least 30 self-help homeownership units within a national or regional area (where the homebuyers contributed a significant amount of sweat-equity and/or volunteer labor toward the construction of the dwellings) within the 24-month period preceding the publication of this SuperNOFA.

### *Submission Threshold Requirements:*

(1) Evidence of your non-profit status, such as a copy of a current Internal Revenue Service ruling that your organization is exempt from taxation under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986. Where an IRS ruling is unavailable, you may submit a certified copy of your approved charter, articles of incorporation or bylaws demonstrating that you are established as a nonprofit organization under state law. If you are a consortium, each participant in your consortium must be a nonprofit organization, but only the lead entity should submit evidence of its nonprofit status. However, the lead entity must maintain a copy of the above-described

documentation for each participant in your consortium.

Submission threshold requirements (2) through (4) require no additional submissions. These requirements are addressed under the submission requirements for the rating factors listed in Section V(D) of this program section of the SuperNOFA below.

(D) *Factors for Award Used to Evaluate Applications*. HUD will rate all SHOP applications that successfully complete technical processing using the Rating Factors and the Application Submission Requirements described below. The maximum number of points for this program is 102. This includes two EZ/EC bonus points, as described in the General Section of the SuperNOFA.

### **Rating Factor 1: Capacity of the Applicant and Relevant Organizational Staff (20 Points)**

This factor examines the extent to which you, as a single applicant or as a consortium (including affiliates and/or members of the consortium, if any), have the experience and organizational resources necessary to carry out the proposed activities in a timely manner.

In evaluating this factor, HUD will consider your recent and relevant experience in carrying out the activities you propose, and your administrative ability, and fiscal management ability. HUD may also rely on information from performance reports, financial status information, monitoring reports, audit reports and other information available to HUD in making its determination under this factor. If you are not a current recipient of HUD funds, you may submit evidence of internal or external performance reports or other information which will assist HUD in making this determination.

#### *Submission Requirements for Rating Factor 1.*

(1) You must describe your past experience in carrying out activities that are the same as, or similar to, the activities you propose for funding, and demonstrate reasonable success in carrying out those activities. You may demonstrate such reasonable success by showing that your previous activities were carried out as proposed and in a timely manner. You must show that established benchmarks for acquiring properties and completing housing construction were met and performance reports were submitted, as required. You must also describe any delays that were encountered, and the actions you took to overcome such delays to successfully complete your program.

(2) You must demonstrate that you have completed at least 30 self-help homeownership units within a national

or regional area (where the homebuyers contributed sweat-equity and/or volunteer labor toward the construction of the dwellings) within the 24-month period preceding the publication of this SuperNOFA.

(3) You must provide a description of your management structure. You must also describe how you will staff and manage your proposed activities.

(4) You must demonstrate your ability to handle financial resources with adequate financial control and accounting procedures. Your existing financial control procedures must meet 24 CFR 84.21, "Standards for Financial Management Systems." You must provide a copy of your most recent audit (only an audit of the lead entity must be provided with an application for a consortium).

(5) You must demonstrate your experience and ability in constructing and altering homes with accessibility features, when necessary.

#### **Rating Factor 2: Need/Extent of the Problem (15 Points)**

This factor examines the extent to which you identify the community need, or problem, or distress that your proposed activities will target, and the urgency of meeting that need.

The purpose of this factor is to make sure that funding is provided where a need for funding exists. Under this factor, you must identify the need or needs in the community that your proposed activities are designed to address or, if you plan to select specific affiliates only after you receive SHOP funding, you must demonstrate how you plan to identify need prior to your selection of affiliates.

#### *Submission Requirements for Rating Factor 2.*

(1) Identify the communities or areas in which your proposed activities will be carried out or how you will select communities or projects based on need after you have received an award under SHOP.

(2) Depending on the type of activities proposed, the kind of information you submit to demonstrate the need or needs in the target area may include, but is not limited to, one or more of the following:

(a) Housing market data such as information included in the local Five Year Comprehensive Plan or other data sources;

(b) Data dealing with such factors as housing density, housing affordability, housing age or deterioration, and lack of adequate infrastructure or utilities;

(c) Data on the need for accessible homes in the area;

(d) Evidence of housing discrimination;

(e) Evidence from the local Analysis of Impediments to Fair Housing Choice which shows the need for this program.

#### *Rating Factor 3: Soundness of Approach (40 Points)*

This factor examines the quality of your plan of proposed activities. In evaluating this factor HUD will consider:

(1) The specificity in your plan; your established timeline for performance; your schedule for expending funds and completing construction; your proposed budget and the cost effectiveness of your program; and your plans to reach all potentially-eligible homebuyers, including those with disabilities or least likely to apply.

(2) How your planned activities further the Departmental initiatives noted in Section VI of the General Section. These initiatives are:

(i) Promoting healthy homes and educating homeowners on what is a healthy home;

(ii) Providing educational and job training opportunities through Neighborhood Networks, and linking programs to AmeriCorps activities;

(iii) Encouraging universal design when developing housing and when communicating with community residents at public meetings or events;

(iv) Encouraging visitability in new construction and substantial rehabilitation activities; and

(v) Employing the President's Partnership for Advancing Technology in Housing (PATH) technologies to improve the affordability, durability, energy efficiency, environmental protection, disaster resistance and safety of housing. HUD will consider how your planned activities exceed prevailing national building practices by: reducing costs of housing; improving durability, reducing maintenance costs; increasing safety and disaster resistance; and improving energy consumption and reducing environmental impact.

#### *Submission Requirements for Factor 3.*

(1) Identify all activities you propose to fund with SHOP.

(2) Provide a timetable for the selection of your participating local affiliates if they are not specified in the application.

(3) Identify the housing type (single family or multifamily) you plan to develop and the form of ownership (fee simple, condominium, cooperative, etc.) you propose to use.

(4) Submit a construction and completion schedule which expends SHOP funds and substantially fulfills your obligations, including the development of the appropriate number of dwelling units, within 24 months, or

in the case of affiliates that develop five or more units, within 36 months, and demonstrates that remaining housing construction will be completed within a reasonable period of time.

(5) Submit a timeline listing milestones against which HUD is to measure your performance progress in expending funds, and completing acquisition, infrastructure and housing construction activities within the schedule in Item 4 above. These milestones should be at reasonable intervals (e.g., monthly, quarterly, etc.).

(6) Describe how your proposed activities address the need or needs you have identified under Rating Factor 2, above.

(7) List the long- and short-term benefits from your activities to the community and targeted groups within the community, and describe how you will ascertain and measure the benefits.

(8) Provide a detailed budget with a break-out for each proposed task and each budget category (acquisition, infrastructure improvements, and administration) in the SF-424A.

(9) Demonstrate that projected costs for the proposed activities do not deviate substantially from the norm in the locale in which your activities will take place, will not exceed an average cost of \$10,000 per unit in SHOP funds, and your ability to carry out your proposed activities cost effectively.

(10) Describe how the initiatives of the Department are furthered by your proposed activities.

(11) Describe how you will reach potential homebuyers through the use of services and materials that are accessible or visitable to all persons, including persons with disabilities (e.g., languages, formats, locations, distribution, use of minority media to attract those least likely to apply).

(12) Describe how activities will benefit eligible homebuyers and your selection factors for participating homebuyers.

(13) Describe how your proposed activities will yield long-term results and innovative strategies or "best practices" that can be readily disseminated to other organizations, communities, and/or State and local governments.

(14) Describe how your program will provide reasonable accommodations for persons with a variety of disabilities by providing "sweat equity" assignments which can be performed by the client regardless of disability; accessible housing regardless of the nature of the disability of its intended residents; and "visitable" housing for all clients.

**Rating Factor 4: Leveraging Resources (15 Points)**

This factor addresses your ability to secure other resources that can be combined with HUD's program resources to achieve the purposes of SHOP. HUD will consider the extent to which you document firm commitments of resources in the form of cash funding, in-kind contributions, or personnel from Federal, State, local, and private sources, who are jointly referred to as your leverage partners. HUD will also consider the extent that the applicant's proposed sweat-equity requirements and other leveraged resources will serve to reduce costs to the homebuyers.

**Submission Requirements for Factor 4.**

(1) Provide a list of amounts and sources of all firm commitments of cash funding, in-kind contributions, or personnel from other Federal, State, local, and private sources which will be available to complete your project. Together with the grant funds, these commitments must be sufficient to develop not less than 30 units.

(2) Provide copies of written evidence to support your list of firm commitments from the source of the commitment. There must be a written agreement identifying the leveraging sources that support your FY 2001 SHOP application. The written agreement may be contingent upon your receiving a grant award.

(3) Provide a description of the individual sweat-equity requirements of your program and how this contribution of labor will serve to reduce the costs of the home to the homebuyer. Reasonable accommodation must be allowed for persons with a variety of disabilities to participate in your program.

**Rating Factor 5: Comprehensiveness and Coordination (10 Points)**

This factor addresses the extent to which your application reflects a coordinated, comprehensive approach to identifying community needs and addressing them on an ongoing basis. In evaluating this factor, HUD will consider:

(1) The extent to which you demonstrate the support and participation of the community's residents, organizations, businesses, and government in the design and implementation of the proposed activities.

(2) The specific steps you will take to share information on solutions, outcomes, and best practices resulting from the activities, if funded.

(3) The specific steps you have taken or will take to coordinate, through

meetings, information networks, planning processes, or other mechanisms, your activities with other proposed or on-going activities in the community funded by Federal, State, local, or private sources.

**Submission Requirements for Factor 5.**

(1) Describe what role residents, community leaders and organizations, and government and private entities in the targeted community have had, or will have, in planning the activities described in your application and what role they will have in carrying out such activities.

(2) Describe how you will share with others information on solutions and outcomes resulting from the activities, if funded.

(3) Describe the specific steps you have taken or will take to become active in the community's Consolidated Plan and Analysis of Impediments to Fair Housing Choice process; or the community's Indian Housing Plan process; and to address, through these processes, the needs that are the focus of the proposed activities.

(4) Describe the specific steps you have taken, or will take, to coordinate your activities with other proposed or on-going activities in the community funded by Federal, State, local, or private sources (through meetings, information networks, planning processes, or other mechanisms).

**VI. Application Requirements and Checklist for Application Submission**

Your application consists of the items listed in this Section VI. The standard forms, certifications, and assurances that are applicable to this funding (collectively, referred to as the "standard forms") can be found in Appendix B to the General Section of the SuperNOFA. The following checklist helps to ensure that all of the required items have been submitted in order to receive consideration for funding:

- \_\_\_ Standard Form 424, Application for Federal Assistance (signed by the authorized representative of the organization eligible to receive funds)
- \_\_\_ Evidence of Non-Profit status

**Narrative Statement Addressing:**

- \_\_\_ Factor 1—Capacity of the Applicant and Relevant Organizational Staff, including recent audit
- \_\_\_ Factor 2—Need/Extent of the Problem
- \_\_\_ Factor 3—Soundness of Approach
- \_\_\_ Factor 4—Leveraging Resources
- \_\_\_ Factor 5—Comprehensiveness and Coordination

**Forms, Certifications and Assurances:**

- \_\_\_ SF 424A, Budget Information, Non-Construction Programs
- \_\_\_ SF 424B, Assurances—Non-Construction Programs
- \_\_\_ SF 424M, Federal Assistance Funding Matrix
- \_\_\_ HUD-50070, Certification for a Drug-Free Workplace
- \_\_\_ HUD-50071, Certification of Payment to Influence Federal Transactions
- \_\_\_ SF-LLL, Disclosure of Lobbying Activity, as applicable
- \_\_\_ HUD-2880, Applicant/Recipient Disclosure/Update Report
- \_\_\_ HUD-2990, Certification of Consistency with the EZ/EC Strategic Plan
- \_\_\_ HUD-2992, Certification Regarding Debarment and Suspension
- \_\_\_ HUD-2993, Acknowledgment of Application Receipt

**VII. Corrections to Deficient Applications**

The General Section of the SuperNOFA provides the procedures for corrections to deficient applications.

**VIII. Environmental Requirements**

The provisions contained in Section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994, Environmental Review, implemented in the Environmental Review regulations at 24 CFR part 58, are applicable to properties assisted with SHOP funds. All SHOP assistance is subject to the National Environmental Policy Act of 1969 and related federal environmental authorities. SHOP grant applicants are cautioned that no federal or non-federal funds or assistance which limits reasonable choices or could produce a significant adverse environmental impact may be committed to a project until all required environmental reviews and notifications have been completed by a unit of general local government, tribe or State and until HUD approves a recipient's request for release of funds under the environmental provisions contained in 24 CFR part 58.

**IX. Authority**

The funding made available under this program section of the SuperNOFA is authorized by section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) (the "Extension Act").