

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5500-N-11]

Notice of Funding Availability for Fiscal Year 2011 for Self-Help Homeownership Opportunity Program (SHOP)

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice of Funding Availability (NOFA) for Fiscal Year (FY) 2011 for the Self-Help Homeownership Opportunity Program (SHOP).

SUMMARY: This SHOP NOFA announces the availability of \$26,676,540 in FY 2011 SHOP funding to be awarded to national and regional non-profit organizations and consortia to facilitate and encourage innovative homeownership opportunities on a national, geographically diverse basis through the provision of self-help homeownership housing programs. Grant funds may be used for land acquisition, the installation or improvement of infrastructure, and for reasonable and necessary planning, administration and management costs. The average SHOP expenditure for the combined costs of land and infrastructure must not exceed \$15,000 per dwelling unit. SHOP homeowners must contribute a significant amount of sweat equity towards the purchase of their units. Donated volunteer labor is also required. Assisted units must be decent, safe, and sanitary non-luxury dwellings that comply with local building and safety codes and standards. These units must be sold to eligible low-income homebuyers at prices below the prevailing market price. The homebuyer's sweat equity contribution must not be mortgaged or otherwise restricted upon future sale of the SHOP unit. SHOP grantees may award SHOP funds to affiliates to carry out the grantee's SHOP program.

This SHOP NOFA is governed by the information and instructions found in the Fiscal Year (FY) 2011 Notice of Funding Availability "Policy Requirements and General Section to HUD's FY 2011 NOFAs for Discretionary Programs" (the **General Section**), posted to Grants.gov on April 4, 2011. The **General Section** establishes policy priorities and requirements that apply to this SHOP NOFA. Applicants for assistance are directed to review the FY 2011 **General Section** as well as the instructions in this SHOP NOFA.

FOR FURTHER INFORMATION: Questions regarding specific SHOP NOFA requirements should be directed to Ms. Ginger Macomber, SHOP Program Manager, Office of Affordable Housing Programs, at (202) 402-4605. Questions regarding the FY 2011 **General Section** should be directed to the Office of Departmental Grants Management and Oversight at (202) 708-0667 (this is not a toll-free number) or the NOFA Information Center at 1-800-HUD-8929 (toll-free). Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Information Relay service at 1-800-877-8339. The NOFA Information Center is open between the hours of 10:00 a.m. and 6:30 p.m. eastern time, Monday through Friday, except federal holidays.

OVERVIEW INFORMATION

A. Federal Agency Name. The federal agency is the Office of Community Planning and Development, HUD.

B. Funding Opportunity Title. The funding opportunity title is the Self-Help Homeownership Opportunity Program (SHOP).

C. Announcement Type. This is the initial announcement.

D. Funding Opportunity Number. The funding opportunity number for this SHOP NOFA is FR-5500-N-11; OMB Approval Number 2506-0157.

E. Catalog of Federal Domestic Assistance (CFDA) Number. The CFDA number for the Self-Help Homeownership Opportunity Program is 14.247.

F. Dates. The application deadline date is **September 6, 2011**. Applications must be received by www.grants.gov no later than 11:59:59 p.m. Eastern Standard time on the application deadline date. Applicants need to be aware that following receipt, applications go through a validation process through which your application may be accepted or rejected. Please allow time for this process to ensure that you meet the timely receipt requirements. Refer to the **General Section IV.C.** for additional guidance.

G. Additional Overview Content Information. SHOP funds are awarded competitively based on the response of applicants to the Threshold Requirements and the rating and ranking criteria set forth in this SHOP NOFA. Applicants must propose to use a significant amount of SHOP funds in at least two states.

FULL TEXT OF ANNOUNCEMENT

I. Funding Opportunity Description

A. Program Description. SHOP funds are awarded to national and regional non-profit organizations and consortia to facilitate and encourage innovative homeownership opportunities on a national, geographically diverse basis through the provision of self-help homeownership housing programs. Grant funds may be used for land acquisition, the installation and improvement of infrastructure, and for reasonable and necessary planning, administration and management costs. The average SHOP expenditure for the combined costs of land and infrastructure must not exceed \$15,000 per dwelling unit. SHOP homeowners must contribute a significant amount of sweat equity towards the construction or rehabilitation of their units. Donated volunteer labor is also required. Assisted units must be decent, safe, and sanitary non-luxury dwellings that comply with local building and safety codes and standards. These units must be sold to eligible low-income homebuyers at prices below the prevailing market price. The homebuyer's sweat equity contribution must not be mortgaged or otherwise restricted upon future sale of the SHOP unit. SHOP grantees may award SHOP funds to affiliates to carry out the grantee's SHOP program.

B. Authority. SHOP is authorized by section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) (the “Extension Act”). SHOP funds were appropriated for Fiscal Year 2011 under Public Law 112-10 on April 15, 2011.

II. Award Information.

\$26,676,540 is available to fund grant awards under the FY 2011 SHOP NOFA competition. Any unobligated funds from previous SHOP NOFA competitions or additional funds that become available due to deobligation or recapture from previous awards may be added to the FY 2011 funding amount. Awards will be made to successful applicants in the form of a grant. Grant funds must be expended within 24 months of the date that the SHOP funds are first made available for drawdown in the grantee’s line of credit established by HUD, except that grant funds provided to affiliates that develop five or more SHOP units must be expended within 36 months.

III. Eligibility Information

A. Eligible Applicants

1. National or Regional Non-profit Organization. You must be a public or private non-profit organization, or a consortium of public or private non-profit organizations, which has the capacity and experience to provide or facilitate self-help homeownership opportunities (“self-help housing”) on a national or regional basis. Individuals and local non-profit organizations are not eligible to apply for SHOP funds. However, a local non-profit self-help housing organization may participate as an affiliate of a national or regional SHOP grantee. The term “you” as used in this SHOP NOFA refers to the SHOP applicant, including all consortium members. The term “consortium” refers to all consortium members. The term “grantee” refers to successful SHOP applicants, including all consortium members, who have been awarded SHOP funds under this SHOP NOFA. You must propose to undertake eligible SHOP activities directly and/or to enter into a written agreement with one or more affiliate non-profit self-help housing organizations to carry out your eligible SHOP activities. See SHOP NOFA Section III.C.3.b for the Threshold Requirements for non-profit status.

a. National Organization. A national organization is a public or private non-profit organization that carries out self-help housing activities or funds affiliates that carry out self-help housing activities on a national scale.

b. Regional Organization. A regional organization is a public or private non-profit organization that carries out self-help housing activities or funds affiliates that carry out self-help housing activities on a regional scale. A regional area is a geographic area, such as the Southwest or Northeast, that includes at least two states. The states in the region need not be contiguous, and the service area of the organization need not precisely conform to state boundaries.

2. Consortium. A consortium is two or more public or private non-profit organizations located in at least two states that enter into an agreement to submit a single application for SHOP funding to carry out self-help housing activities on a national or regional basis. Refer to SHOP NOFA Section III.C.3.c. Individual consortium members may carry out self-help housing activities or fund affiliates to carry out self-help housing activities.

3. Affiliate. An affiliate must be located within your service area. An affiliate is:

a. A local non-profit self-help housing organization that is a subordinate organization (i.e., chapter, local, post, or unit) of your central organization and covered by the group exemption issued to the central organization under section 501(c) (3) of the Internal Revenue Code; or

b. A local non-profit self-help housing organization with which you have an existing relationship (e.g., you have provided technical assistance, mentoring or funding to the local self-help housing organization); or

c. A local non-profit self-help housing organization with which you do not have an existing relationship, but to which you will provide technical assistance, mentoring or funding in accordance with your SHOP application.

4. Written Agreements. You must have a written agreement with each affiliate that incorporates the requirements of the FY 2011 SHOP NOFA. Your written agreement must describe the SHOP responsibilities of your affiliate. If you are a consortium, each of your affiliates must be linked to an individual consortium member by a written agreement. You must execute a new written agreement with each affiliate that is participating in your FY 2011 SHOP program. You may not amend a prior written agreement.

B. Cost Sharing or Matching. There are no cost sharing or matching requirements under this SHOP NOFA. However, grantees are required to leverage resources for the construction and/or rehabilitation of self-help housing units that are assisted with SHOP funds.

C. Other

1. HUD's Strategic Plan Goals. Refer to the **General Section I.C.** for HUD's "Strategic Plan Goals to Create Strong, Sustainable, Inclusive Communities and Quality Affordable Homes for All."

2. Policy Priorities. Refer to the **General Section I.B.** "Policy Priorities" and to SHOP NOFA Section V.A.3.e., Rating Factor 3 "Policy Priorities" for information regarding application criteria addressing HUD's policy priorities.

3. Threshold Requirements. SHOP is governed by Section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) (the "Extension Act"), and this SHOP NOFA. HUD will not consider an application from an ineligible applicant or from an applicant that does not meet the timely application receipt requirements of this SHOP NOFA and the **General Section IV.C.** "Receipt Dates and Times." To be considered an eligible applicant, you

must meet all of the Threshold Requirements listed in the **General Section III.C.2.** and the following SHOP NOFA Threshold Requirements. HUD will review your SHOP “Program Design and Scope of Work” to ensure that you have met all of these Threshold Requirements. SHOP NOFA Section IV. describes the SHOP application submission requirements.

a. Eligible Applicant. The statute requires that SHOP grants be made available to “national and regional organizations and consortia that have experience in providing or facilitating self-help housing homeownership opportunities.” You must be an eligible SHOP organization as defined in SHOP NOFA Section III.A.

b. Non-profit Status. You and your affiliates must qualify as eligible public non-profit or private non-profit organizations under federal or state law.

c. Consortium Agreement. If you are a consortium, each consortium member must enter into and sign a written consortium agreement for the purpose of applying for SHOP funds and carrying out SHOP activities in compliance with this SHOP NOFA. The consortium agreement must designate the lead entity. Refer to SHOP NOFA Section IV.B.7.b.(2).

d. Geographic Diversity. You must propose to use a significant amount of SHOP funds in at least two states.

e. Experience. The statute requires that applicants “have experience in providing or facilitating self-help housing homeownership opportunities.” Your organization must have successfully completed at least 30 self-help housing units in a national or regional area within the 24-month period immediately preceding the publication of this SHOP NOFA. This may include self-help housing units completed by one or more of your affiliate organizations during this time period, provided these units were undertaken in accordance with a written agreement between you and your affiliate organization(s). For dwellings to qualify as self-help housing homeownership units, the homebuyers must have contributed a significant amount of sweat-equity toward the construction or rehabilitation of the units as set forth in SHOP NOFA Section III.C.3.j. “Sweat Equity.”

f. Number of Units. The statute requires the grantee to “develop a specific and reasonable number of dwellings using the grant amounts, which number shall be established taking into consideration costs and economic conditions in the areas in which the dwellings will be developed, but in no case shall be less than 30.” You must propose to develop a minimum of 30 self-help housing units. The average SHOP expenditure for the combined costs of land and infrastructure improvements must not exceed \$15,000 per dwelling unit.

g. Eligible Activities. The statute requires that “amounts from grants..., including any recaptured amounts, shall be used only for eligible expenses in connection with developing new decent, safe, and sanitary, non-luxury dwellings.” You must propose to use SHOP funds only for eligible activities. There are three categories of eligible activities. Eligible costs must be incurred on or after the publication date of this SHOP NOFA. You may carry out the eligible activities yourself or fund your affiliates to carry out your eligible activities. Refer to SHOP

NOFA Section IV.E. “Funding Restrictions” for additional guidance on pre-agreement costs, ineligible costs and other restrictions.

(1) Land Acquisition. The acquisition of land (including financing and reasonable and customary closing costs) for the purpose of developing or rehabilitating SHOP units is an eligible activity. On or after the date of this SHOP NOFA, you and your affiliates may expend non-grant funds to acquire land, including land acquired before completion of the environmental review process. You may use your SHOP grant funds to reimburse these costs after your SHOP grant agreement has been executed and the required environmental review process has been successfully completed. However, these costs are reimbursable only when identified as pre-agreement costs in your SHOP application. Refer to SHOP NOFA Section IV.E. “Funding Restrictions.”

(2) Infrastructure Improvements. The installation, extension, construction, rehabilitation, or other improvement of utilities and other infrastructure (including the removal of environmental hazards) in support of the development or rehabilitation of SHOP units are eligible activities. Infrastructure costs must not be incurred before the required environmental review process has been successfully completed.

(3) Planning, Administration, and Management. The reasonable and necessary cost of the planning, administration and management of your SHOP grant is an eligible activity. Eligible costs include staff and overhead costs of implementing your SHOP grant; costs of providing information to the public about the SHOP grant; costs of providing civil rights and fair housing training to local affiliates; and any expenses involved in affirmatively furthering fair housing. The indirect costs (such as rent and utilities) of you and your affiliates in carrying out your SHOP activities are also eligible. You must charge indirect costs in accordance with the methods described in 2 CFR Part 230 “Cost Principles for Non-Profit Organizations” (OMB Circular A-122). SHOP funds may not be used for planning, administration or management expenses that are not related to implementing your SHOP activities. Refer to SHOP NOFA Section VI.B. “Administrative and National Policy Requirements” for additional guidance. Eligible planning, administration and management costs must not exceed 20 percent of your SHOP grant.

h. Property Standards. The statute requires that funds be used for quality “decent, safe and sanitary non-luxury dwellings” that “comply with local building safety codes and standards.” You must have procedures to ensure that all units developed by you and your affiliates comply with these property standards.

i. Homebuyer Eligibility. The statute requires that funds benefit “low-income families and individuals who otherwise would be unable to afford to purchase a dwelling.” Eligible homebuyer households must be low-income individuals and families whose incomes do not exceed 80 percent of the median income for the area, as established by HUD. You must use one of the following definitions of “annual income” to determine whether a homebuyer is income-eligible under SHOP. You must have procedures to clearly document that assisted homebuyers are income-eligible.

(1) Annual Income as defined at 24 CFR 5.609; or

(2) Adjusted Gross Income as defined for purposes of reporting under the IRS Form 1040 series for individual federal annual income tax purposes; or

(3) Grantee Definition. You may adopt your own definition of “annual income” to determine whether a homebuyer is income-eligible. This definition must be included in your SHOP Program Design and Scope of Work and approved by HUD. Refer to SHOP NOFA Section IV.B.7.c.(5).

j. Sweat Equity. The statute requires that self-help housing opportunities be provided “under which the homeowner contributes a significant amount of sweat equity toward the construction of the new dwelling.”

(1) Minimum Sweat Equity Contribution. Your SHOP program design must require the homebuyer to contribute a minimum number of sweat equity hours toward the construction or rehabilitation of the homebuyer’s SHOP unit and/or the homes of other homebuyers participating in the self-help housing program administered by you or your affiliates. “Homebuyer” means the individual or individuals who will hold Title to the completed SHOP unit. If an individual will hold the Title, the homebuyer must contribute a minimum of 50 hours of sweat equity. If more than one individual will hold the Title, the homebuyer must contribute a minimum of 100 hours of sweat equity. Sweat equity includes training on the construction of the dwelling units, but excludes homebuyer counseling and home maintenance training. You must permit reasonable accommodations for persons with disabilities in order for them to meet these hourly requirements. For example, homebuyers with disabilities may work on less physical tasks or administrative tasks, or use volunteers to provide the required sweat equity. If a disabled homebuyer uses volunteers, the disabled homebuyer must enter into a written three-party agreement with the affiliate or the grantee (if the grantee directly administers the program) and the volunteer working on behalf of the homebuyer. All homebuyers, including homebuyers with disabilities, must meet these minimum sweat equity requirements. You may not make exceptions to these requirements.

(2) Value of Sweat Equity Contribution. The homebuyer must receive the full value of the homebuyer’s sweat equity contribution as an equity contribution towards the purchase of the homebuyer’s SHOP unit. For example, the unit’s sale price may be reduced by the value of the sweat equity contribution, or the value of the sweat equity contribution may be treated as a credit towards the unit’s contract sale price. As per SHOP NOFA Section III.C.3.m., the homebuyer’s sweat equity contribution must not be mortgaged or otherwise restricted upon future sale of the SHOP unit.

k. Volunteer Labor. The statute requires that activities to develop SHOP-assisted self-help housing “involve community participation in which volunteers assist in the construction or rehabilitation of dwellings.” Your SHOP program design must include volunteer labor. Volunteer labor is work performed by an individual without promise, expectation, or compensation for the work rendered. Volunteer labor may be professional or non-professional

labor donated by community members, other volunteers, or household members who are not homebuyers.

l. Sale Price. The statute requires that dwellings constructed in connection with SHOP assistance be made “available at prices below the prevailing market prices.” You must sell each SHOP unit below the appraised value of the property. Lenders may charge “reasonable and customary” closing costs for the area in which the unit is located. The amount of the SHOP unit mortgage or loan may include these closing costs, but the amount of closing costs must be separately identified and not included in the sale price. Refer to SHOP NOFA Section III.C.3.m. for additional guidance.

m. Mortgages and Other Loans. The homebuyer’s sweat equity contribution must not be mortgaged or otherwise restricted upon future sale of the SHOP unit. In order to make the cost of homeownership more transparent to individual homebuyers, you must provide each homebuyer, at or before closing, unit-specific information on the cost and carrying charges for the homebuyer’s SHOP unit, similar to information required on the HUD-1 “Settlement Charges.” The following examples demonstrate compliance with the SHOP restrictions on mortgages:

(1) Sale Price Reduction. The SHOP unit sale price is reduced by the value of the homebuyer’s sweat equity. On the date of sale, the total amount of all mortgages and other loans for the purchase of the SHOP unit does not exceed the SHOP unit’s reduced sale price plus reasonable and customary closing costs.

(2) Homebuyer Credit. The value of the homebuyer’s sweat equity is treated as a credit towards the SHOP unit sale price. On the date of sale, the total amount of all mortgages and other loans for the purchase of the SHOP unit does not exceed the SHOP unit’s sale price plus reasonable and customary closing costs minus the homebuyer’s sweat equity credit.

n. No Duplicate Submissions. You must not propose to fund any affiliate or consortium member under your FY 2011 application that is also seeking FY 2011 SHOP funding from another SHOP applicant. If an affiliate applies for funds through more than one applicant, it may be disqualified for funding from any applicant that receives a grant.

o. Dun and Bradstreet Data Universal Numbering System (DUNS). You must have a DUNS number to receive a SHOP grant. Refer to **General Section III.C.2.b.** for information regarding the DUNS requirement. Additional Information on obtaining a DUNS number is available at <http://www.hud.gov/offices/adm/grants/duns.cfm>.

p. Central Contractor Registration (CCR). You must register or update your current registration in the Central Contractor Registration to receive a SHOP grant. Information on CCR registration is available at <http://www.ccr.gov/Renew.aspx>.

4. Other Statutory and Program Requirements. There are no SHOP program regulations. You and your affiliates must comply with all statutory and regulatory requirements applicable to SHOP cited in the **General Section III.C.1**, all non-discrimination and other laws and

requirements cited in the **General Section III.C.5.**, and other statutory and program requirements cited in the **General Section** and this SHOP NOFA, including:

a. Leveraged Resources. The statute requires SHOP grantees to use their grants to “leverage other sources of funding, including private or other public funds,” to complete construction or rehabilitation of their SHOP units. You and your affiliates must obtain commitments of resources (or have the capacity to obtain commitments) necessary to develop the number of SHOP units that you propose.

b. Grant Term. The statute requires the Secretary “to recapture any grant amounts provided to the organization that are not used within 24 months after the amounts are first disbursed to an organization or consortium except that such period shall be 36 months...in the case of grant amounts provided to a local affiliate...that is developing five or more dwellings.” You must expend all grant funds within 24 months of the date that the funds are first made available for drawdown in the grantee’s line of credit established by HUD, except that grant funds provided to your affiliates that develop five or more units must be expended within 36 months. You and your affiliates must develop and sell all proposed SHOP units in a timely manner in accordance with the schedules you submit in response to SHOP NOFA Rating Factor 3.

c. No Financial Contribution by the Homebuyer. The statute requires that dwellings developed in connection with SHOP assistance be provided to “families and persons who are unable to afford to purchase a dwelling.” You and your affiliates must not require a homebuyer to make any financial contribution towards the purchase of a SHOP unit, other than cash contributed for a downpayment and reasonable and customary closing costs.

d. Energy-Efficiency. You and your affiliates must incorporate specific energy-efficiency measures in the design, construction, and/or rehabilitation of your SHOP units. Upon completion, all new construction and gut-rehabilitation SHOP units in buildings up to three stories must meet the guidelines for ENERGY STAR Qualified New Homes, as certified by a qualified Home Energy Rating System (HERS) rater, who is independent from the SHOP grantee or its affiliates. ENERGY STAR is a joint program of the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE) to save money and protect the environment through energy-efficient products and practices. All SHOP units in buildings over three stories must exceed, by 20 percent, the minimum energy-efficiency requirements defined by the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2007, Appendix G: Performance Rating Method. When the ASHRAE standard is updated, the updated standard, plus 20 percent, must be applied to all projects with SHOP funds committed after the date that the updated standard is published. At such time as an ENERGY STAR standard is established for all housing over three stories, the ENERGY STAR guidelines and certification requirements shall apply.

All appliances and products or features that are replaced in properties that are rehabilitated must be ENERGY STAR qualified. ENERGY STAR equipment and products must be used that are appropriate for achieving energy-efficiency for the ENERGY STAR Climate Zone in which the rehabilitated unit is located. For more information on ENERGY STAR, refer to the ENERGY STAR web site at <http://www.energystar.gov/>.

e. WaterSense Products. You and your affiliates must install water-usage products, including toilets, showers, and faucets, which bear the “WaterSense” label, in all newly constructed or rehabilitated SHOP-assisted units. WaterSense is a partnership program sponsored by the U.S. Environmental Protection Agency (EPA) that seeks to protect the future of our nation’s water supply by promoting water efficiency and enhancing the market for water-efficient products, programs, and practices. WaterSense labeled products must be independently tested and certified by an EPA licensed certifying body to meet the water efficiency and performance criteria established by the EPA. For more information, refer to the EPA WaterSense website at <http://www.epa.gov/watersense/>.

f. Affirmatively Furthering Fair Housing. You must affirmatively further fair housing by promoting fair housing rights and fair housing choice in housing programs funded by your SHOP award. If you will carry out self-help housing activities under your grant, you must adopt and follow affirmative marketing requirements and procedures. If your affiliates will carry out self-help housing activities under your grant, you must require each affiliate to adopt and follow affirmative marketing requirements in accordance with your established procedures. Affirmative marketing consists of taking actions to provide information and otherwise attract eligible persons in the housing market to your SHOP program without regard to race, color, national origin, sex, religion, familial status and disability. Affirmative marketing includes, but is not limited to, informing the public and potential homebuyers about federal fair housing laws; using the Equal Housing Opportunity logo on promotional materials; and directing marketing efforts specifically towards persons in the housing market area who, although eligible, are not likely to apply for the program in the absence of such outreach. Refer to the **General Section III.C.5.b.** for more information on affirmatively furthering fair housing. You and your affiliates must also encourage racial and ethnic diversity in the selection of SHOP housing sites. If you will use a competitive process to select affiliates, your selection criteria must consider how an affiliate’s proposal will enhance racial and ethnic diversity.

g. Accessibility for Qualified Individuals with Disabilities. You and your affiliates must comply with Section 504 of the Rehabilitation Act of 1973 and HUD’s implementing regulations at 24 CFR Part 8 concerning accessibility for qualified individuals with disabilities. Units must be constructed or rehabilitated to be accessible upon request of the homebuyer in accordance with 24 CFR 8.29.

h. Economic Opportunities for Low- and Very Low-Income Persons (Section 3). You and your affiliates must comply with Section 3 of the Housing and Urban Development Act of 1968 (Section 3), 12 U.S.C. 1701u (Economic Opportunities for Low- and Very Low-Income Persons in Connection with Assisted Projects), and the HUD regulations at 24 CFR part 135, including the reporting requirement of Subpart E. Under Section 3 of the Housing and Urban Development Act of 1968, to the greatest extent feasible, new employment or job training opportunities created in connection with housing rehabilitation, housing construction, or other public construction projects must be given to Section 3 residents. In addition, to the greatest extent feasible, new contracts for housing rehabilitation, housing construction, or other public construction projects must be awarded to Section 3 business concerns. Refer to the regulations

implementing Section 3 at 24 CFR part 135 and to the **General Section III.5.d.** for more information.

Because SHOP funds can only be used for land acquisition and infrastructure improvements, Section 3 requirements apply only to SHOP projects for which the amount of SHOP funds for the infrastructure improvements (together with any other covered Section 3 housing and community development assistance for infrastructure) meets the threshold amount of \$200,000. Since the maximum average SHOP investment for land acquisition and infrastructure is \$15,000 per unit, Section 3 would generally only apply to entities undertaking infrastructure for 14 units or more under an individual SHOP contract, where the entire SHOP amount together with any other Section 3 housing and community development assistance is \$200,000 or more for infrastructure. The number of units may vary if the amount of assistance per-unit decreases. Successful applicants will be required to submit annual Section 3 data using form HUD-60002 to HUD, Office of Fair Housing and Equal Opportunity, 451 Seventh Street, SW, Room 5232, Washington, DC 20410, Attn: Economic Opportunity Division, or HUD's online system at <http://www.hud.gov/offices/fheo/section3/section3.cfm>.

i. Real Property Acquisition and Relocation. SHOP projects are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA) (42 U.S.C. 4601), and the government-wide implementing regulations issued by the U.S. Department of Transportation at 49 CFR part 24. The URA is a federal law that establishes minimum standards for federally-funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects. When persons with disabilities are relocated, they must be placed in housing that provides, at a minimum, the same accessibility features as the housing in which they currently reside.

You and your affiliates must comply with all applicable URA requirements. Real property acquisitions for a SHOP-assisted program or project conducted before completion of an environmental review are also subject to the URA. You and your affiliates must ensure that all such real property acquisitions comply with applicable URA requirements. Generally, real property acquisitions conducted without the threat or use of eminent domain, commonly referred to as "voluntary acquisitions," must satisfy the applicable requirements and criteria of 49 CFR 24.101(b)(1) through (5). Evidence of compliance with these requirements must be maintained by the affiliate and submitted to and maintained by the SHOP grantee. It is also important to note that tenants who occupy property that may be acquired through voluntary means must be fully informed of their eligibility for relocation assistance. This includes notifying such tenants of their potential eligibility when negotiations are initiated, notifying them if they become fully eligible, and, in the event the purchase of the property will not occur, notifying them that they are no longer eligible for relocation benefits. Evidence of compliance with these requirements must be maintained by the affiliate and submitted to and maintained by the SHOP grantee.

Additional information and resources pertaining to real property acquisition and relocation for HUD-funded programs and projects are available on HUD's Real Estate Acquisition and Relocation website at <http://www.hud.gov/relocation>. You will find applicable laws and

regulations, policy and guidance, publications, training resources, and a listing of HUD contacts if you have questions or need assistance.

j. Environmental Review. You and your affiliates must comply with the SHOP environmental review requirements. The SHOP environmental review requirements supersede the environmental review requirements in the **General Section**. All SHOP assistance is subject to the National Environmental Policy Act of 1969 and related federal environmental authorities and regulations at 24 CFR part 58. You or your affiliates may not undertake any project or activity or commit funds to a project or activity if the project or activity would limit reasonable choices or could produce an adverse environmental impact, until all required environmental reviews and notifications have been completed by a unit of general local government, tribe, or state, and HUD approves your request for release of funds under the environmental provisions contained in 24 CFR part 58. Notwithstanding the preceding sentence, in accordance with section 11(d)(2)(A) of the Housing Opportunity Program Extension Act of 1996 and HUD Notice CPD-01-09, you or your affiliate may advance non-grant funds to acquire land before completion of an environmental review and HUD's approval of a request for release of funds and environmental certification. Any advances to acquire land prior to such approval are made at the risk of you and/or your affiliate, and reimbursement from SHOP funds for such advances will depend on the result of the environmental review and award of SHOP funds under this SHOP NOFA (also refer to SHOP NOFA Section IV.E. "Funding Restrictions").

k. Occupational Safety and Health. You and your affiliates must conduct work under this grant in accordance with the Occupational Safety and Health Administration regulations (29 CFR 1926.62) that apply to your employees and the employees of your affiliates.

l. Lead Safe Requirements. You and your affiliates must comply with the Lead-Based Paint Poisoning Prevention Act (42 USC 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 USC 4851-4856), and relevant subparts of the implementing regulations at 24 CFR Part 35, such as subparts A, B, J, K and R. You and your affiliates must also comply with the applicable lead safe work practices requirements of the Environmental Protection Agency's (EPA) Renovation, Repair and Painting Rule (40 CFR 745 Subpart E).

IV. Application Submission Requirements

A. Address to Request Application Package. This SHOP NOFA and the **General Section** contain all the information you need to submit an application for SHOP funding. You must submit your application electronically through Grants.gov in accordance with the instructions provided in the **General Section** IV.B. "Content and Form of Application Submission." This section provides specific procedures concerning electronic application submission and timely application receipt requirements. This section also describes how you may download the application and instructions from the HUD Grants.gov website at https://apply07.grants.gov/apply/forms_apps_idx.html. If you need assistance downloading the material, you may contact the Grants.gov Help Desk at 1-800-518-GRANTS and a customer service representative will assist you. The Grants.gov help desk is open 7 days a week, 24 hours a day except federal holidays. You may also email Support@grants.gov. If you do not have Internet access and you need to obtain a copy of this SHOP NOFA, you may contact HUD's

NOFA Information Center toll-free at 1-800-HUD-8929 or 1-800-HUD-2209 (TTY) between the hours of 10:00 a.m. and 6:30 p.m., eastern time, Monday through Friday, except federal holidays. The NOFA Information Center opened for business simultaneously with the publication of the **General Section**.

B. Content and Form of Application Submission. You must meet all requirements for application submission and receipt described in this SHOP NOFA.

1. Application Kit. There is no application kit for the SHOP program. All the information needed to apply is contained in this SHOP NOFA and the application and instructions download found at https://apply07.grants.gov/apply/forms_apps_idx.html. The application checklist that is found in SHOP NOFA Section IV.B.6. identifies all the elements that are required for a complete SHOP application submission. You must follow the specific format, page limit, and submission content requirements to ensure that you have submitted an acceptable application. The published document posted to Grants.gov is the official document that HUD uses to solicit applications. Therefore, if there is a discrepancy between any materials published by HUD on its website and other information provided in paper copy, the information provided on the Grants.gov site prevails. Be sure to review your application against the requirements published for the SHOP competition and made available on Grants.gov.

2. Application. Your application must contain only the items listed in the “Application Checklist” provided in SHOP NOFA Section IV. B.6. The application consists of six sections: 1) Standard Forms; 2) Applicant Eligibility; 3) Program Design and Scope of Work; 4) Narrative Statements for Rating Factors; 5) Forms, Certifications and Assurances; and 6) Appendices. There are five SHOP NOFA Rating Factors. The Rating Factors are identified in SHOP NOFA Section V.A. “Criteria.” You must address the five Rating Factors in the Rating Factor Narrative Statements, and in the required Appendices in accordance with the SHOP NOFA instructions. HUD will not consider any supplemental information that is not required by this SHOP NOFA, or information that exceeds the page limits established by this SHOP NOFA.

3. Consortium Application. If you are applying as a consortium, you must submit a comprehensive, integrated application. All consortium members must be identified in your application and all members must receive SHOP funds. You must identify your lead entity. You must propose to use a significant amount of SHOP funds in each state represented by your consortium. Your integrated application must demonstrate that the consortium is undertaking a single SHOP program with an overall program design. Individual program designs for separate consortium members or their affiliates will not be considered by HUD in scoring your application. However, you must briefly summarize the past experience of each of your individual consortium members in your response to Rating Factor 1 “Capacity of the Applicant and Relevant Organizational Staff.”

4. Page Format. You must submit your SHOP application in an 8.5 by 11 inch page size format, using a standard 12 point font. Text in tables must not be less than a 9 point font. HUD will not consider material shown in a smaller font size. Pages for each application section must be numbered sequentially starting with “1.” For sections with page limits, HUD will not consider information on pages that exceed the page limit.

5. Attachments. When naming attachment files to your electronic application, you must not exceed 32 characters in length. Do not use spaces or special characters (anything other than a number or a letter) in the file name. Failure to follow these instructions will result in your application being rejected with a virus detect error message. Refer to the **General Section IV.B.6.** for further details.

6. Application Checklist. In order to receive full consideration for funding, you should use the following checklist to ensure that all requirements are addressed and submitted with your electronic application. Any other information should not be submitted and will not be considered in scoring your application.

a. Standard Forms (no page limit).

- _____ SF424_Application_for_Federal_Assistance (Your organization's nine-digit zip code (zip code plus four digits) must be included in Box 8d)
- _____ SF424_Supplement_Survey_on_Ensuring_Equal_Opportunity_for_Applicants ("Faith Based EEO Survey (SF-424-SUPP)" on Grants.gov)

b. Applicant Eligibility (no page limit).

- _____ Self-Help Housing Organization Statement of Qualifications
- _____ Consortium Agreement (if applicable)
- _____ Experience
- _____ Code of Conduct

c. Program Design and Scope of Work (15 page limit).

- _____ Grant Request and Proposed Use of Funds
- _____ Consortium Participating Members (if applicable)
- _____ Affiliates
- _____ Description of SHOP Properties
- _____ Homebuyer Eligibility
- _____ Sweat Equity
- _____ Volunteer Labor
- _____ Mutual Self-help Housing Programs (if applicable)
- _____ Establishment of Sale Price
- _____ Mortgages and Other Loans
- _____ Typical Shop Unit Table
- _____ Program Outreach
- _____ Monitoring Schedule

d. Narrative Statements for Rating Factors (30 page limit or 35 page limit for a consortium).

- _____ Factor 1 - Capacity of the Applicant and Relevant Organizational Staff.

- _____ Factor 2 - Need/Extent of the Problem (four page limit)
- _____ Factor 3 - Soundness of Approach
- _____ Factor 4 - Leveraging Resources
- _____ Factor 5 - Achieving Results and Program Evaluation

e. Forms, Certifications and Assurances (no page limit).

- _____ HUD_424_CB_Grant_Application_Detailed_Budget ("HUD Detailed Budget Form" on Grants.gov)
- _____ HUD_424_CBW_Grant_Application_Detailed_Budget_Worksheet
- _____ SF_LLL_Disclosure_of_Lobbying_Activities (as applicable)
- _____ HUD_2880_Applicant/Recipient_Disclosure/Update_Report ("HUD Applicant Recipient Disclosure Report")
- _____ HUD_2990_Certification_of_Consistency_with_the_RC/EZ/EC_II_Strategic_Plan (if applicable)
- _____ HUD_2995_Certification_of_Consistency_and_Nexus_between_Activities_Proposed_by_the_Applicant_with_Livability_Principles_Advanced_in_Preferred_Sustainability_Status_Communities (if applicable)
- _____ HUD_2993_Acknowledgement_of_Application_Receipt (for applicants submitting paper applications only)
- _____ HUD_96010_Program_Outcome_Logic_Model
- _____ HUD_96011_Third_Party_Documentation_Facsimile_Transmittal ("Facsimile Transmittal Form" on Grants.gov; HUD will not be able to match faxes to an application if the application does not contain this form and each Fax does not use the HUD-96011 cover page)

f. Appendices (no page limit).

- _____ Code of Conduct (refer to the **General Section III.C.5.**)
- _____ Evidence of Non-profit Qualification (if applicable; refer to SHOP NOFA Section IV.B.7.b.)
- _____ Consortium Participating Members (refer to SHOP NOFA Section IV.B.7.c.(2))
- _____ Affiliates (refer to SHOP NOFA Section IV. B.7.c.(3))
- _____ Demonstration of Past Performance (for new applicants)(refer to Rating Factor 1, SHOP NOFA Section V.A.)
- _____ Applicant's Organizational Chart (refer to Rating Factor 1, SHOP NOFA Section V.A.)
- _____ Leverage Commitment Letters (refer to Rating Factor 4, Section V.A.)

7. Application Content. Your application must address each of the following six sections.

a. Standard Forms (no page limit). You must submit an:

- (1) SF424_Application_for_Federal_Assistance"; and

(2) SF424_Supplement_Survey_on_Ensuring_Equal_Opportunity_for_Applicants
("Faith Based EEO Survey (SF-424-SUPP)" on Grants.gov)

These forms must be electronically signed by the Authorized Organization Representative (AOR) who is legally authorized to submit the application on behalf of the applicant. Please remember to use the DUNS number of the organization identified in Box 8a of the SF424 form. The DUNS number must be registered in the Central Contractor Registration (CCR). The Authorized Organization Representative submitting the application must be authorized by the eBusiness Point of Contact in the Grants.gov system to submit the application on behalf of the applicant.

b. Applicant Eligibility (no page limit).

(1) Self-Help Housing Organization Statement of Qualifications. You must submit a narrative statement of qualifications that demonstrates your organization's eligibility to participate in the SHOP program. You must clearly state how your organization or consortium qualifies as a national or regional public non-profit self-help housing organization or private non-profit self-help housing organization as defined in SHOP NOFA Section III.A. and Section III.C.3.b. If you are not a current SHOP grantee you must submit evidence that you qualify as a national or regional public or private non-profit self-help housing organization under federal or state law (such as a current Internal Revenue Service (IRS) ruling that your organization is exempt from taxation under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986). If you are a consortium, you must submit evidence of the non-profit status of each consortium member that does not currently receive SHOP funds. This evidence must be provided in an Appendix. This Appendix does not count towards your application page limits.

(2) Consortium Agreement. You must submit a Consortium Agreement for the purpose of applying for and using FY 2011 SHOP funds. Your Consortium Agreement must be executed and dated by all consortium members. Your Consortium Agreement must designate a lead entity and authorize the lead entity to submit your SHOP application and execute your SHOP grant agreement on behalf of all consortium members. Upon being funded, the lead entity must enter into a separate written agreement with each individual consortium member. This agreement must include the requirements of the FY 2011 SHOP grant agreement between HUD and the consortium, and set forth the individual consortium member's responsibilities as described in your approved SHOP application. The lead entity must be responsible and accountable for the overall performance and compliance of the consortium members. Each consortium member must be responsible and accountable for the performance and compliance of its affiliates. Consortium members may not change these responsibilities without prior HUD approval. HUD will not approve any changes that would affect the consortium's compliance with the Threshold Requirements or your application's rating score and ranking.

(3) Experience. You must submit a narrative statement that demonstrates your organization's experience in completing at least 30 self-help housing units within the past 24 months. You must provide the specific number of units completed within the 24 month period preceding the publication of this SHOP NOFA. You must identify the general location where the units were developed (county, parish, state or region of the country) and the timeframe

during which the self-help activities took place. You must also clearly demonstrate that the units developed during this 24 month period included a significant contribution of homebuyer sweat equity and volunteer labor toward the construction or rehabilitation of the units. You must include the average number of sweat equity hours contributed by each homebuyer family, and the average number of volunteer labor hours contributed per unit during this 24-month period. Refer to SHOP NOFA Section III.C.3.j. for the definition of “homebuyer.”

(4) Code of Conduct. You must submit a copy of your Code of Conduct as required by the **General Section III.C.5.** in an Appendix.

c. Program Design and Scope of Work (15 page limit). You must submit a narrative description of your Program Design and Scope of Work. The Program Design and Scope of Work is limited to 15 pages, not including Appendices. HUD will hold you accountable for your Program Design and Scope of Work. In order to ensure that your proposed Program Design and Scope of Work conforms to the SHOP NOFA requirements, HUD may ask you to amend certain sections that do not affect your compliance with the Threshold Requirements or your application’s rating score and ranking. HUD will not award funds until all SHOP requirements are met and HUD approves your Program Design and Scope of Work. Failure to adequately meet any of the SHOP Threshold Requirements will result in HUD eliminating you from the competition. Refer to SHOP NOFA Section III.C.3. for a description of the SHOP NOFA Threshold Requirements. If you are awarded a SHOP grant, your approved Program Design and Scope of Work will be incorporated by reference into your SHOP grant agreement. You must notify HUD of any changes to your approved Program Design and Scope of Work. Your Program Design and Scope of Work must address the following:

(1) Grant Request and Proposed Use of Funds. You must state your total SHOP grant request for FY 2011. You must specify the total number of SHOP units that you propose to assist with your SHOP grant. You must identify the eligible SHOP activities you will fund with your grant and provide an estimate of how your SHOP grant will be allocated among each eligible activity. Specifically, you must identify whether you will use your SHOP grant for land acquisition, infrastructure or both. You must also identify whether you or your affiliates will use your SHOP grant for planning, administration, and management costs, including costs of providing information to the public about your SHOP grant; costs of providing civil rights and fair housing training to local affiliates as well as any expenses involved in affirmatively furthering fair housing; and indirect costs (such as rent and utilities) of you or your affiliates in carrying out your SHOP activities. Refer to SHOP NOFA Section III. C.3.g. for a discussion of eligible SHOP activities and costs.

(2) Consortium Participating Members. If you are a consortium, you must provide a list of all consortium participating members including each member’s full name, mailing address, service area (i.e., city, county or parish and state), proposed SHOP funding, and the number of SHOP units the member anticipates constructing should you receive FY 2011 SHOP funding. This information must be provided in an Appendix. This Appendix does not count towards the 15 page limit.

(3) Affiliates. You must indicate whether you propose to use affiliates to undertake your SHOP activities. If you propose using affiliates, you must provide a list of all participating affiliates including each affiliate's full name, service area, location (city, county or parish and state), proposed funding request, and the number of SHOP units the affiliate anticipates constructing or rehabilitating should you receive FY 2011 SHOP funding. This list must be provided in an Appendix. This Appendix does not count towards the 15 page limit.

If you will select your affiliates after your application submission, you must survey your potential affiliates and describe the specific criteria you will use to select your affiliates. You must provide the full name of the affiliates surveyed, service area, location (city, county or parish and state), proposed funding need, and the number of SHOP units each affiliate anticipates constructing or rehabilitating should you receive FY 2011 SHOP funding. This list must be provided in an Appendix. This Appendix does not count towards the 15 page limit.

(4) Description of SHOP Properties. You must provide a description of the SHOP properties you intend to fund. Specifically, you must describe the housing types (single family or multifamily, or both) to be assisted, the form of ownership (e.g., fee simple, condominium, cooperative, community land trust, etc.) and whether you will undertake new construction and/or rehabilitation of your SHOP-assisted units. In addition, you must discuss how you propose to meet the energy-efficiency (including ENERGY STAR or ASHRAE) and WaterSense requirements, and briefly describe any other energy conservation methods or Green development programs you are undertaking in implementing your self-help housing program. You must also describe the visitability features that you propose to incorporate into your SHOP units in accordance with universal design and visitability principles.

(5) Homebuyer Eligibility. You must state the definition of annual income you will use in your program. Refer to SHOP NOFA Section III.C.3.i. for annual income definitions.

(6) Sweat Equity. You must describe your program's requirements for sweat equity contributions from homebuyers. You must describe the types of tasks and numbers of hours required from each homebuyer. You must describe any construction training you will provide homebuyers. You must describe how you will value each homebuyer's sweat equity contribution. You must quantify the total estimated value of each homebuyer's sweat equity contribution. You must describe how you will provide reasonable accommodations for persons with disabilities.

(7) Volunteer Labor. You must describe your program's approach for involving volunteer labor. You must identify the projected sources of volunteer labor and the types of tasks. You must describe how you will value the volunteer labor contribution. You must provide an estimate of the number of volunteer labor hours per SHOP unit, by source. You must quantify the total estimated value of the volunteer labor contributions, by source.

(8) Mutual Self-help Housing Programs. A mutual self-help housing program generally involves four to ten participating families organized in a group who complete construction work on their housing units by an exchange of labor with one another, such as the U.S. Department of Agriculture's Rural Housing Services/Rural Development program under

section 523 of the Housing Act of 1949 (7 CFR part 1944, subpart I). Homebuyers perform labor on their own units and on the units of other participating families. A homebuyer's labor hours may count either towards sweat equity contributions or volunteer labor contributions, but each hour must only count once. For mutual self-help housing programs, you must identify the program and the estimated number of sweat equity hours and volunteer labor hours.

(9) Establishment of Sale Price. You must describe how you will determine the sale price for your SHOP units, in accordance with the requirements of this SHOP NOFA. You must describe how you will ensure that the homebuyer can afford the unit or otherwise sustain homeownership for the long term. You must describe how you will account for the value of donated land, material and services, and volunteer labor when determining the sale price. You must demonstrate how you will ensure that each homebuyer receives the full value of the homebuyer's sweat equity as an equity contribution or credit towards the purchase of the homebuyer's SHOP unit. You must define "reasonable and customary" closing costs.

(10) Mortgages and Other Loans. You must demonstrate how you will ensure that the homebuyer's sweat equity contribution will not be mortgaged or otherwise restricted upon future sale of the SHOP unit. You must describe how you will provide each homebuyer, at or before closing, unit-specific information on the cost and carrying charges of the homebuyer's SHOP unit.

(11) Typical SHOP Unit Table. You must use the following table (or a similar table) to demonstrate your approach to valuing sweat equity and volunteer labor contributions, establishing your SHOP unit sales price and determining your mortgage and/or other loan amount for a typical SHOP unit. Enter your estimated or average cost, value or amount. If your program design involves other local, state or federal subsidies (such as HOME or USDA), specify the source and the estimated per-unit subsidy amount. Indicate whether these estimates are based on the actual results of your prior SHOP or self-help housing program, or are based on your proposed SHOP program design. This table is not a budget form. HUD will use this table to evaluate your program design and determine that your proposed SHOP program is in compliance with the requirements of this SHOP NOFA.

TABLE: Typical SHOP Unit

| Per Unit | Average Cost, Value or Amount | Value of Donations or Volunteer Labor | Final Cost, Value or Amount* | Comments |
|--------------------------------|-------------------------------|---------------------------------------|------------------------------|----------|
| Land | | | | |
| Infrastructure Improvements | | | | |
| Construction or Rehabilitation | | | | |
| Other (Specify) | | | | |
| TOTAL COST | | | | |
| SHOP | | NA | | |

| | | | | |
|---|--|----|--|--|
| Investment Subsidy | | | | |
| Other Subsidy (Specify) | | NA | | |
| TOTAL SUBSIDY | | NA | | |
| SALE PRICE | | NA | | |
| APPRAISED VALUE | | NA | | |
| Homebuyer Sweat Equity | | NA | | |
| Other Homebuyer Equity (Specify) | | NA | | |
| TOTAL HOMEBUYER EQUITY | | NA | | |
| Reduced Homebuyer Sale Price; and/or | | NA | | |
| Homebuyer Credit towards Sale Price | | NA | | |
| Closing Costs (Specify) | | NA | | |
| Other Homebuyer Costs (Specify) | | NA | | |
| Mortgage | | NA | | |
| Other Loans | | NA | | |
| Other Restrictions (Specify) | | NA | | |
| Other Affordability Savings over the Life of the Mortgage (Specify) | | | | |

* If you will reduce the final SHOP unit cost by the value of donations or volunteer labor, the Final Cost, Value or Amount should reflect this reduction.

(12) Program Outreach. You must describe the procedures and materials or services that will be used to reach potential homebuyers in your proposed housing market area, including persons least likely to apply without special outreach. You must describe the alternative formats

to be used to effectively reach persons with disabilities in accordance with the requirements of 24 CFR 8.6. In addition, you must describe the reasonable steps to be taken to ensure meaningful access to persons with limited English proficiency. You may refer to HUD's "Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Affecting Limited English Proficient Persons" (72 Fed. Reg. 2732, January 22, 2007) for assistance. You must also describe the methods you will use to encourage single heads of households to participate in your program.

(13) Monitoring Schedule. You must provide a schedule for monitoring each consortium member and affiliate for compliance with SHOP program requirements (including compliance with the cross-cutting federal requirements described in the **General Section** and this SHOP NOFA) at least once during the term of your grant. Your schedule should show how many reviews will be conducted each year of your SHOP grant term. Over 50 percent of the monitoring reviews must be conducted on site.

d. Narrative Statements for Rating Factors (30 page limit or 35 page limit for a consortium). You must submit Narrative Statements that address the five SHOP NOFA Rating Factors. Refer to SHOP NOFA Section V. A. "Criteria: Rating Factors."

e. Forms, Certifications and Assurances (no page limit). By electronically signing the SF-424 cover page, you are certifying that the statements in your application are true, complete and accurate to the best of your knowledge, and that you will comply with the requirements of the **General Section** and this SHOP NOFA. You are also certifying that should you receive a SHOP grant award, you will administer your award in compliance with the requirements of the **General Section**, this SHOP NOFA and your SHOP grant agreement. Refer to the **General Section IV.** and SHOP NOFA Section IV.B. 6.e. for a list of required forms, certifications and assurances.

f. Appendices (no page limit). You must submit Appendices, as required by this SHOP NOFA. Refer to SHOP NOFA Section IV.B.6.f. for a list of Appendices.

C. Submission Dates and Times. Your completed application must be received by Grants.gov no later than 11:59:59 p.m. eastern time **September 6, 2011**. Following receipt, the application will go through a validation process. If the application fails the Grants.gov validation process, it will be rejected. You should carefully review the **General Section IV.** "Application and Submission Information" for instructions for timely receipt, including actions to take if the application is rejected. Applicants should carefully read the section titled "INSTRUCTIONS ON HOW TO DOWNLOAD AN APPLICATION PACKAGE AND APPLICATION INSTRUCTIONS" in the **General Section**. This section contains information on using Adobe Reader, HUD's timely receipt policies, and other application information.

D. Intergovernmental Review. Executive Order 12372 "Intergovernmental Review" does not apply to SHOP.

E. Funding Restrictions

1. Pre-agreement Costs. On or after the publication date of this SHOP NOFA, you may incur pre-agreement costs for eligible SHOP activities. Eligible pre-agreement costs for land acquisition include the principal and interest of a loan incurred on or after the date of this SHOP NOFA. Eligible pre-agreement costs for infrastructure development include the principal (but not the interest) of a loan incurred on or after the date of this SHOP NOFA. You must identify your pre-agreement costs in your SHOP application. You may charge your pre-agreement costs to your SHOP grant after the effective date of your SHOP grant agreement, provided these pre-agreement costs are eligible, in compliance with the requirements of this SHOP NOFA, (including relocation and environmental review requirements), and consistent with your approved SHOP application. You may also authorize your affiliates to incur eligible pre-agreement costs. Your authorization must be in writing. You and your affiliates incur pre-agreement costs at your own risk. If you do not receive a SHOP grant, if your activities do not successfully complete the required environmental review process, or if your activities otherwise fail to meet the SHOP requirements, you and your affiliates may not use your SHOP grant funds to reimburse your pre-agreement costs. Examples of ineligible pre-agreement costs that may not be reimbursed with your SHOP grant include:

- a. Pre-agreement costs incurred before the publication date of this SHOP NOFA.
- b. Pre-agreement costs that are not identified in your SHOP application.
- c. Pre-agreement costs incurred by your affiliates which you have not approved in writing.
- d. The cost of land that is acquired before the publication date of this SHOP NOFA, including refinancing the acquisition cost of land that is acquired before the publication date of this SHOP NOFA.
- e. Infrastructure costs that are incurred before the publication date of this SHOP NOFA.
- f. Infrastructure costs that are incurred before the completion date of the required environmental review process.
- g. Interest on a loan used to pay for infrastructure costs.

2. Ineligible Costs. Only costs associated with the eligible activities identified in SHOP NOFA Section III.C.3.g. may be funded with your SHOP grant. Examples of ineligible costs include:

- a. Any activity or cost that is not eligible.
- b. Costs incurred before the publication date of this SHOP NOFA.
- c. Pre-agreement costs that are not eligible for reimbursement, such as costs not identified in your SHOP application.

- d. Construction, rehabilitation or improvement costs of any dwelling unit.
- e. Development costs that are not acquisition or infrastructure costs, such as permitting fees, property taxes during the construction period, maintenance bonds, and landscaping.
- f. Land acquisition costs for land banking purposes (i.e., holding land for an indefinite period).
- g. Acquisition costs of land that is owned by you or your affiliates, or in which you or your affiliates have an interest.
- h. Refinancing of loans for land acquired before the publication date of this SHOP NOFA.
- i. Costs of land acquisition that does not comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).
- j. Interest on loans used to pay for infrastructure costs.
- k. Planning, administration and management costs which are not related to your SHOP grant.
- l. Planning, administration and management costs which exceed 20 percent of your SHOP grant.
- m. Costs which are unallowable in accordance with 2 CFR Part 230 “Cost Principles for Non-Profit Organizations” (OMB Circular A-122), such as alcoholic beverages, bad debts, advertising (other than help-wanted ads), contributions, entertainment, fines and penalties.
- n. Indirect costs that are not incurred in accordance with 2 CFR Part 230 “Cost Principles for Non-Profit Organizations” (OMB Circular A-122).
- o. Lobbying activity costs.
- p. Homebuyer pre-purchase and post-purchase counseling costs.

3. Other Restrictions. The average SHOP expenditure for the combined costs of land and infrastructure must not exceed \$15,000 per dwelling unit.

F. Other Submission Requirements. You must meet all submission requirements and instructions described in the **General Section**. Refer to the **General Section IV**. “Application and Submission Information” for detailed submission instructions, including methods and deadlines for submission.

1. Waiver of Electronic Submission Requirements. You must submit your application electronically via Grants.gov or request a waiver of the electronic application submission requirement from HUD. If HUD grants you a waiver, your paper application must be received at HUD Headquarters by the application deadline date (refer to **General Section IV.C.**). If HUD does not grant you a waiver, you must follow the instructions for electronic application submission. You must submit your waiver request, including your justification, in writing using

e-mail or fax. You must submit your waiver request no later than 15 days prior to the application deadline date. Waiver requests must be submitted to: SHOP Program, Application Waiver Request, Office of Affordable Housing Programs by e-mail: ginger.macomber@hud.gov or fax: (202) 708-1744. If HUD grants you a waiver, you must submit your paper application in accordance with the requirements stated in HUD's waiver approval.

2. Paper applications. Paper applications will not be accepted from applicants that have not been granted a waiver of the electronic application submission requirement. All paper applications must be received by HUD on or before the application deadline date.

3. Facsimiles and Videos. HUD will not accept an entire application sent by facsimile (fax). However, third-party documents or other materials sent by facsimile in compliance with the requirements for facsimile transmission contained in the **General Section IV**. are permitted. All facsimile transmissions must be received by the deadline date and time. Videos cannot be submitted via the Grants.gov system and will not be accepted as a separate submission or if granted a waiver to the electronic application, as part of an application submitted in paper format. Any video submitted as part of an application will not be viewed.

V. Application Review Information

HUD will rate and score all SHOP applications that successfully complete technical processing and meet all submission and Threshold Requirements. HUD will reject applications from ineligible applicants or applications that do not meet all of the Threshold Requirements listed in SHOP NOFA Section III.C.3. The maximum rating score is 100 points plus 2 bonus points for applications that meet the RC/EZ/EC-II criteria and 2 bonus points for applications that meet the Preferred Sustainable Communities Status criteria.

A. Criteria

Rating Factors (30 page limit or 35 page limit for a consortium)

There are five Rating Factors. You must submit a Narrative Statement and supplemental information for each Rating Factor, as required by this SHOP NOFA. You are limited to a total of 30 pages, unless you are a consortium. A consortium may have an additional 5 pages to address Rating Factor 1, for a total limit of 35 pages. You are limited to 4 pages to address Rating Factor 2 "Need/Extent of Problem." HUD will only review and rate the information that you submit in response to the five Rating Factors. HUD will not review and rate information contained in other sections of your SHOP application (including the "Self-Help Housing Organization Statement of Qualifications" and the "Program Design and Scope of Work"), except for the "Typical Shop Unit Table" required by SHOP NOFA Section IV.B.7.c.(11). HUD will not review and rate any information that is not required by this SHOP NOFA or any information that is contained in pages that exceed the applicable page limits. If you are awarded a SHOP grant, HUD will hold you accountable for your responses to the five Rating Factors. After grant award, you must notify HUD of any changes that affect your original response to any of the five Rating Factors, the RC/EZ/EC-II bonus points or the Preferred Sustainable Communities Status bonus points. HUD will reevaluate your score for those Rating Factors. Any changes to your rating score could affect your SHOP grant award.

1. Rating Factor I: Capacity of the Applicant and Relevant Organizational Staff (up to 40 points)

This factor evaluates the extent to which you (including individual consortium members, if applicable), demonstrate the capacity to carry out your proposed SHOP activities in an effective and timely manner, and in accordance with the SHOP NOFA requirements. HUD will consider your experience, past performance, organizational management structure and financial control procedures. Any applicant that does not receive at least 20 points under this factor will not be eligible for funding.

Content Requirements for Rating Factor 1

a. Experience (up to 10 points). You must describe your organization's most recent five years of experience in managing and carrying out self-help housing activities that are the same as, or similar to, the activities you propose for funding under your SHOP application. This may include managing self-help housing activities that have been carried out by one or more of your affiliate organizations during this time period, in accordance with a written agreement between you and your affiliate(s). For consortia, you must describe the experience of the lead entity and all consortium members. You must describe the type of self-help housing program your organization managed and your role(s) and responsibilities for carrying out the development of your self-help housing units. You must address the scale of your self-help housing program, including the average number of units undertaken each year, the total number and location of units completed, the time frame during which your self-help activities took place, and the average number of sweat equity hours required per homebuyer family. You must state whether volunteer labor was used to assist in the construction of the self-help housing, and provide the average number of volunteer labor hours per unit. You must provide average income and family size characteristics of the beneficiaries you served.

b. Past Performance (up to 10 points). You must describe your success in carrying out your self-help housing activities by demonstrating that previous activities were carried out as proposed and within the timeframes you established for the completion of all work. You must address whether you used all of your grant and leveraged funds in a timely manner, achieved your performance targets for units and beneficiaries, submitted timely and accurate performance reports, and otherwise met the performance and compliance requirements that applied to your self-help housing activities.

(1) Applicants that have been awarded SHOP grants during the previous five years. You must summarize your past performance in carrying out the activities that were approved under the SHOP grants that you have received during the previous five years prior to the date of this SHOP NOFA. If you are a consortium, you must summarize the past performance of your individual consortium members. You must describe your success in meeting your benchmarks and timetables. You must describe any delays and obstacles that you and/or your affiliates encountered and the actions you took to overcome these delays and obstacles. If you plan to fund an affiliate organization that encountered delays that affected your previous grant performance, you must explain what has changed that makes you want to include this

organization in your FY 2011 program. HUD will also consider your SHOP performance reports and other data that are available to HUD, including monitoring reports, audit reports, eLogic[®] model reports, and financial closeout reports.

(2) Applicants that have not been awarded SHOP grants during the previous five years. You must summarize your performance in carrying out your self-help housing activities during the previous five years prior to the date of this SHOP NOFA. If you are a consortium, you must summarize the past performance of your individual consortium members. You must describe your success in meeting your benchmarks and timetables as well as any delays or obstacles you encountered and the actions you took to overcome these delays and obstacles. You must indicate whether any outside funding organization has deobligated any of your funds for failure to meet your drawdown and/or implementation schedules, and whether you returned any funds because of monitoring findings or other program deficiencies. Your narrative summary must be supported by existing internal or external performance reports, monitoring reports, audits or similar documents that demonstrate your performance. These supplemental reports and/or information must be included in an Appendix. This Appendix does not count towards the application page limits.

c. Organizational Management Structure (up to 10 points). You must provide a description of your organization's management structure, including an organizational chart that identifies all key management positions and the names and positions of all staff who will administer your SHOP program. Your organizational chart must be included in an Appendix. This Appendix does not count towards the application page limits. Do not include individual Social Security Numbers in your application. You must describe the specific roles and responsibilities of your administrative staff for the management and oversight of your proposed SHOP program from grant approval through to the completion and ownership transfer of your proposed SHOP units. You must briefly describe the skills and capacity of your staff. You must discuss how you plan to address any staffing or skills gaps. If you propose to use affiliates, you must identify the staff that will manage and oversee the performance of your affiliates. You must also describe the standards or criteria you will use to determine that each affiliate has the capacity to implement its SHOP activities in a timely manner. You must describe any technical assistance you will provide to your affiliates. If you are a consortium, you must provide this information for both the lead entity and each consortium member, as well as your procedures for coordinating the activities of your consortium members.

d. Financial Control Procedures (up to 10 points). You must describe your financial control procedures, including how you will disburse and control funds that are provided to your affiliates (if applicable). If you are a consortium, you must also describe your procedures for disbursing and controlling funds that are provided to your consortium members. You must describe how your financial control procedures comply with 24 CFR 84.21, "Standards for Financial Management Systems." You must address how your procedures will ensure:

(1) Accurate, current, and complete disclosure of financial results of your SHOP program;

(2) Adequate identification of the sources and application of your funds including information pertaining to federal awards, authorization, obligations, unobligated balances, assets, outlays, income and interest;

(3) Effective control over the accountability for all of your funds, property and other assets so that all such assets will be adequately safeguarded and used solely for authorized purposes under your SHOP grant;

(4) Written procedures to minimize the time elapsing between the transfer of SHOP funds to your organization from the U.S. Treasury and the issuance or redemption of checks, warrants, or payments by other means for program purposes (generally 3 days or as soon as possible thereafter) by your organization, and by your consortium members and affiliates (if applicable);

(5) Written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of the applicable federal cost principles at 2 CFR Part 230 “Cost Principles for Non-Profit Organizations” (OMB Circular A-122) and the terms and conditions of your SHOP grant award; and

(6) Accounting records including cost accounting records that are supported by source documentation.

2. Rating Factor 2: Need/Extent of the Problem (up to 5 points)

This factor evaluates the extent to which you demonstrate a need for self-help housing in your proposed target areas. HUD will consider the documented housing problems in each of your target areas that will be addressed by your SHOP program and the extent to which you demonstrate the need for SHOP funds.

Content Requirements for Rating Factor 2 (four page limit)

a. Extent of Need for Self-help Housing (up to 4 points). You must identify all of the communities or other target areas in which your proposed SHOP activities will be carried out. For each of your proposed target areas, you must provide reliable statistical data on housing problems, including overcrowding, cost burdens, foreclosures, housing age or deterioration, low homeownership rate (especially among minority families), lack of housing for families with children and for families with members with disabilities, and lack of adequate infrastructure or utilities. Your data must be recent. “Recent” means the most recent updated U.S. Census data, and other information and data issued within the last five years of this SHOP NOFA. National applicants must, at a minimum, use regional data to demonstrate the need for self-help homeownership housing. Regional applicants must, at a minimum, use state-level data to demonstrate the need for self-help homeownership housing. General, national-level data should not be used unless you also use regional or state level data to supplement the national data. If you plan to select some or all of your affiliates after your application submission, you must survey your potential affiliates to gain an understanding of the regional or state level affordable, self-help homeownership housing needs in the individual affiliate areas and present those needs in the application. Also, to the extent information is available, you must describe the need for

physically accessible homes in your target areas; evidence of housing discrimination in your target areas that must be addressed; and any need for housing shown in the local Analysis of Impediments to Fair Housing Choice (AI), if appropriate.

b. Extent of Need for SHOP Funds (1 point). You must describe your need for the amount of SHOP funds you request. You must describe how your SHOP funds will be used to fill a funding gap or how your SHOP funds will otherwise meet a funding need that will enable you to develop the number of SHOP units you propose.

3. Rating Factor 3: Soundness of Approach (up to 35 points)

This factor evaluates the quality and soundness of your approach to carrying out your proposed SHOP activities. HUD will consider the adequacy and effectiveness of your program design for addressing the need for affordable self-help homeownership housing; your schedules for expending your SHOP grant, selecting your local affiliates, and conveying your SHOP units; your detailed budget; your procedures for overseeing the performance of your consortium members and affiliates; your activities to further HUD's policy priorities for "Sustainability" and "Capacity Building and Knowledge Sharing"; and your procedures for training and employing Section 3 residents and contracting with Section 3 business concerns.

Content Requirements for Rating Factor 3

a. Program Design (up to 10 points). You must describe how your proposed SHOP Program Design and Scope of Work will address the need for self-help homeownership housing identified in Rating Factor 2. You must describe how this need will be met in each of your target areas. You must discuss to what extent your program will target various low-income groups, including less than 30 percent of adjusted median income (AMI), over 30 percent to 50 percent AMI and over 50 percent to 80 percent AMI. You may also discuss to what extent your program will target various other underserved low-income groups. You must describe how you will ensure that your homebuyers can afford their SHOP units at the time of purchase and how you will help them sustain homeownership during the long term. You must describe whether you will provide pre-purchase homebuyer counseling. You must describe whether you will provide post-purchase homebuyer counseling. For each type of counseling, you must describe what entity will deliver the counseling, what percent of homebuyers will receive the counseling, and what general topics or skills will be covered. You must discuss how the anticipated amount of sweat equity credit that each homebuyer will earn, will make the homebuyer's home more affordable. You must discuss whether you will further reduce each SHOP unit's sale price by the value of voluntary contributions (including volunteer labor contributions) and if so, the average amount of the reduction.

b. Schedules for Grant Expenditure, Selection of Affiliates, and Conveyance of SHOP Units (up to 5 points). You must submit the following schedules. Each schedule should include interim milestones or benchmarks against which HUD can measure your progress.

(1) Grant Expenditure (up to 2 points). You must submit a schedule that demonstrates that you will expend your SHOP grant by your expenditure deadline (24 months for your

organization and 36 months for your affiliates that develop five or more SHOP units) (refer to SHOP NOFA Section III.C.4.b.).

(2) Selection of Local Affiliates (if applicable). You must identify your SHOP affiliates or provide a schedule that demonstrates the timely selection of your SHOP affiliates from those listed in your SHOP application Appendix. Inadequate submissions will result in the deduction of 1 point.

(3) Conveyance of SHOP Units (up to 3 points). You must provide a schedule for completing land acquisition, infrastructure improvements and housing construction or rehabilitation; and for conveying your completed SHOP units to eligible homebuyers. You must identify the percentage or number of units you propose to complete and to convey by your grant expenditure deadline (24 months for your organization and 36 months for your affiliates that develop five or more SHOP units). You must identify the percentage and number of SHOP units you propose to complete and to convey after your grant expenditure deadline. Your schedule must demonstrate the timely start and completion of all of your proposed SHOP units.

c. Budget (up to 5 points). You must submit a detailed budget on the forms HUD-424-CB “Grant Application Detailed Budget” and HUD-424-CBW “Grant Application Detailed Budget Worksheet.” You must submit a separate HUD-424-CB for Year 1, Year 2, Year 3 and “All Years” budgets. The HUD-424-CBW must support your HUD-424-CB “All Years” budget total. You must include a budget category for each proposed activity funded by both your SHOP funds and your leveraged funds (i.e. acquisition, infrastructure improvements, construction, rehabilitation, and planning, administration and management). Your construction and rehabilitation budget categories must include the costs of complying with the SHOP energy-efficiency, ENERGY STAR, ASHRAE and WaterSense requirements. Your administration budget category must include line items for monitoring consortium members and affiliates, if applicable, at least once during the grant period. You must also include line items for providing any pre-purchase homebuyer counseling and post-purchase homebuyer counseling. Note that pre-purchase and post-purchase counseling must be financed with leveraged funds. You must provide a budget narrative that indicates whether your budget includes the value of sweat equity and volunteer labor contributions. If the values of sweat equity and volunteer labor are included in your total budget, you must identify the amounts you are including for sweat equity and volunteer labor. Budget amounts on the HUD-424-CB and HUD- 424-CBW must agree, and must be consistent with amounts stated elsewhere in your SHOP application.

d. Program Performance (up to 8 points). You must demonstrate that you have adequate procedures to ensure that you, and your consortium members and/or affiliates (if applicable), are performing in a timely manner and using your SHOP funds in compliance with the SHOP NOFA standards and requirements, including other applicable federal requirements.

(1) Tracking and Evaluating Performance and Compliance (up to 3 points). You must describe your procedures for tracking and evaluating your SHOP program performance and compliance, and the performance and compliance of your consortium members and/or affiliates (if applicable). You must describe your procedures for determining whether you, and your consortium members and/or affiliates (if applicable), are at risk of failing to meet your

performance schedules and deadlines. You must describe your procedures for determining whether you, and your consortium members and/or affiliates (if applicable), are at risk of failing to comply with any of the SHOP requirements, including other applicable federal requirements. You must describe any routine reports you will use to track and evaluate your SHOP program performance and compliance, including any reports that must be submitted by your consortium members and/or affiliates (if applicable). You must identify your performance and compliance measures and indicators. You must describe your procedures for addressing any performance or compliance issues.

(2) Monitoring (up to 2 points). You must describe how your monitoring approach and schedule (described in your Program Design and Scope of Work) will ensure that your SHOP program is undertaken in a timely manner and in accordance with the SHOP program requirements. You must describe the frequency of your distance monitoring and on-site monitoring reviews. You must describe your review protocols for your distance monitoring and for your on-site monitoring reviews, including the number and type of records you will examine (e.g., financial, beneficiary, eligibility, property standards and inspections, fair housing, Section 3 employment etc.), the number of visual unit inspections you will conduct, and the number and type of beneficiary satisfaction surveys or interviews you will undertake. You must also describe the corrective actions you may require should a monitoring review reveal a program deficiency or a violation of the requirements of the **General Section**, this SHOP NOFA, or your SHOP grant agreement, including financial, statutory, civil rights or programmatic requirements. You must describe how you will meet your obligation to monitor each consortium member and affiliate (if applicable) at least once during your grant term and conduct more than 50 percent of your monitoring reviews on-site. Refer to SHOP NOFA Section IV.B.7.c.(13). You must identify the percentage of consortium members and affiliates that you will monitor on site and describe your criteria for selecting your on-site monitoring reviews. You must identify the number of monitoring reviews you will conduct (including any on-site reviews) after your grant term has ended, but before the final close out of your SHOP grant (i.e. completion and occupancy of all of your SHOP units), and your criteria for undertaking these reviews.

(3) Financial Management (up to 3 points). You must describe your process for ensuring that your financial management, including the financial management of each of your consortium members and/or affiliates (if applicable), complies with the SHOP NOFA financial management standards and requirements. You must describe how and when you will shift funds among affiliates and consortium members to ensure timely and effective use of SHOP funds. You must describe your process for ensuring that SHOP funds are only used for eligible costs and activities.

(4) Technical Assistance (if applicable). If you propose to fund inexperienced affiliates, you must describe the technical assistance and other efforts you will employ to directly or indirectly mentor these affiliates and develop their capacity to complete their FY 2011 SHOP-assisted units. Inadequate submissions will result in the deduction of 1 point.

e. Policy Priorities (up to 5 points). You must describe how your proposed SHOP activities further HUD's policy priorities "Sustainability" and "Capacity Building and Knowledge Sharing." HUD's policy priorities are described in detail in the **General Section I.B.** For each

proposed policy priority, you must identify your proposed activity outputs and outcome indicators in your eLogic Model[®] (refer to Rating Factor 5). HUD will consider your proposed activity outputs and outcome indicators in scoring your response to Rating Factor 3. Successful applicants will be required to report annually on the outputs and outcomes of their policy priority activities in eLogic Model[®] form HUD-96010.

(1) Sustainability (up to 3 points). Refer to the **General Section I.B.2.** for guidance about HUD’s policy priority for “Sustainability.” To receive points for this policy priority, you must go beyond the minimum energy-efficiency requirements of SHOP NOFA Section III.C.4.d.. You will receive up to 3 points based on how well your proposed SHOP activities address each of the following strategies:

(a) Promote Increased Energy-efficiency (1 point). You will receive 1 point if you will exceed the minimum energy-efficiency savings required by SHOP NOFA Section III.C.4.d.. for new construction and gut-rehabilitation for at least twenty percent of your SHOP units (i.e. for buildings 3 stories or less, exceeding the energy savings achieved through ENERGY STAR; or for buildings over 3 stories, exceeding by more than 20 percent the minimum ASHRAE Standard 90.1-2007, Appendix G).

(b) Promote Green Building Practices (1 point). You will receive 1 point if you will comply with Green building standards such as LEED for Homes, the National Green Building Standards, Enterprise Green Communities, or LEED ND for larger scale development (neighborhood or subdivision), or a recognized local or regional Green standard such as Earthcraft or Build it Green for at least twenty percent of your SHOP units.

(c) Promote Universal Design (1 point). You will receive 1 point if you identify the number of SHOP units for which you will incorporate universal design and ensure consistency with the visitability standards for people with disabilities. Refer to the **General Section I.B.2.(e)** for guidance on universal design and visitability standards.

(2) Capacity Building and Knowledge Sharing (up to 2 points). Refer to the **General Section I.B.4.** for guidance about HUD’s policy priority for “Capacity Building and Knowledge Sharing.” To receive points for this policy priority, you must describe how you will provide knowledge-sharing experiences for your affiliates and consortium members that will increase their capacity to design and implement an effective SHOP program. You will receive up to 2 points based on how well you address each of the following strategies:

(a) Increase the Capacity of Affiliates and Consortium Members (1 point). You will receive 1 point if you will increase the capacity of your affiliates and consortium members to implement SHOP activities on time and on budget by delivering ongoing training, technical assistance and other support in program planning and management skills. Skills areas include project design (including developing energy-efficient housing), financial management, construction management and organizational management (including managing volunteer labor).

(b) Promote Innovative Practices (1 point). You will receive 1 point if you will disseminate innovative and “best” practices, encourage peer learning, share data, and help your

affiliates and consortium members incubate and test new approaches to self-help homeownership housing development.

f. Section 3 Procedures (up to 2 points). You must describe the procedures you have in place to ensure compliance with the Section 3 requirements that apply to the activities that you will undertake and to the activities that your individual affiliates will undertake. You must describe how you will inform affiliates of their responsibilities under Section 3 and how you will monitor their compliance. You must describe how you will provide, to the greatest extent feasible and consistent with existing federal, State and local laws and regulations, new employment or job training opportunities for Section 3 residents. You must describe how you will award, to the greatest extent feasible, new contracts for housing rehabilitation, housing construction, or other public construction projects to Section 3 business concerns. You will receive 1 point for describing how you will provide job training and employment opportunities. You will receive 1 point for describing how you will provide business and contracting opportunities.

4. Rating Factor 4: Leveraging Resources (up to 10 points)

This factor evaluates your ability to secure firm commitments of leveraged resources to implement your proposed SHOP activities. HUD will consider the amount of your leveraged resources and the extent to which you have a firm written commitment for each leveraged resource. Cash funding (e.g., grants or loans), in-kind contributions, donated land or construction materials, and donated professional services count as leveraged resources. Leveraged resources do not include the dollar value of homebuyer sweat equity and volunteer labor contributions. Leveraged resources do not include mortgage financing provided to homebuyers. However, financing provided through the U.S. Department of Agriculture's Section 502 program for direct loans to homebuyers for the construction of their dwellings as part of a mutual self-help homeownership housing program counts as leveraged resources. You must provide evidence of your firm written commitments in an Appendix to your application. Each page in this Appendix must be consecutively numbered. This Appendix does not count towards the application page limit. Refer to the **General Section IV.B.6.** regarding the procedures for submitting third-party documentation.

Content Requirements for Rating Factor 4

a. Amount of Leveraged Resources (up to 10 points). You must demonstrate that your leveraged resources, together with your SHOP grant, volunteer labor contributions and homebuyer sweat equity contributions, are sufficient to develop the number of units proposed in your SHOP application. Your leveraged resources must total at least 50 percent of the total budget amount shown on your form HUD-424-CB "Grant Application Detailed Budget." For each leveraged resource, you must include a written document that verifies that the leveraged resource is firmly committed to your SHOP program and/or activities. These written documents must consist of either firm resource commitments (award letter, written agreement, pledge etc.) or firm fund-raising commitments. The following do not constitute firm commitment documents: unsigned, undated, or outdated documents; documents only expressing support of your organization or your SHOP application; documents that do not state the dollar amount; or

documents that do not link the leveraged resources to your FY 2011 SHOP application or specific projects in your FY 2011 application.

b. Firm Resource Commitment. You must submit a written document (award letter, written agreement, pledge etc.) for each commitment of leveraged resources from a known source or provider. These documents must be included in an Appendix to your application. Each written firm resource document must include your organization's name; the contributing entity's name; the type of leveraged resource (cash funding, in-kind contributions, donated land or construction materials, or donated professional services); the source of the leveraged resource (federal, state, local, or other); the dollar value of the leveraged resource; and a statement indicating that the leveraged resource is firmly committed to support your FY 2011 SHOP application program and/or specific activities that are proposed in your FY 2011 SHOP application. Each written document must be dated and signed by an official who is legally able to make the leveraged resource commitment on behalf of the contributing entity. If you have received resources from contributing entities from previous years that are not fully committed to another activity and you have the sole discretion to commit these uncommitted resources to your FY 2011 SHOP program, you must submit a separate letter clearly committing these uncommitted resources to your FY 2011 SHOP program.

Firm Resource Commitment Summary Chart. You must provide a chart that lists each written document for each firm resource commitment that you have included in your Appendix. Your chart must be organized by columns. The first column must provide the Appendix page number of the written document. The second column must provide the date of the written document. The third column must provide the contributing entity's name (as stated in the written document). The fourth column must provide the dollar value of the leveraged resource commitment (as stated in the written document). The fifth column must indicate whether the source of the leveraged resource is federal funds. Your chart must also include a column for each additional element that must be included in the written document. You must check the appropriate column to indicate that the written document includes the following: your organization's name; type of leveraged resource; source of leveraged resource; statement indicating that the leveraged resource is firmly committed to support your FY 2011 SHOP application program and/or specific activities that are proposed in your FY 2011 SHOP application; and signature of the authorized official. HUD may reject leveraged resources that are not listed on this chart or that have written documents that lack all of the required elements.

c. Firm Fund-Raising Commitment. You must submit a written document for each firm commitment of fund-raising to obtain leveraged resources from an unknown source or provider. These documents must be included in an Appendix to your application. Each written fund-raising document must include your organization's name; the proposed contributing entity's name (if known); the proposed type of leveraged resource (cash, in-kind contributions, donated land or construction materials, or donated professional services); the proposed source of the leveraged resource (state, local, or other); the estimated dollar value of the proposed leveraged resource; and a description of your fund-raising efforts. Each written document must be dated and signed by an official who is legally able to make the fund-raising commitment on behalf of your organization. Applying for funding from federal grants does not count as a fund-raising. However, firm written commitments from a federal source count as firm resource commitments.

You must ensure that duplicate letters for fund-raising amounts are not submitted by both you and your affiliates.

Firm Fund-Raising Commitment Summary Chart. You must provide a chart that lists each written document for each firm fund-raising commitment that you have included in your Appendix. Your chart must be organized by columns. The first column must provide the Appendix page number of the written document. The second column must provide the date of the written document. The third column must provide the proposed fund-raising source. The fourth column must provide the estimated dollar value of the proposed leveraged resource. Your chart must also have a column for each additional element that must be included in the written document. You must check the appropriate column to indicate that the written document includes the following: your organization's name; proposed type of fund-raising contribution; a statement indicating that the proposed fund-raising contribution will support your FY 2011 SHOP application program and/or specific activities that are proposed in your FY 2011 SHOP application; and a description of your fund-raising efforts. HUD may reject leveraged resources that are not listed on this chart or that have written documents that lack all of the required elements.

5. Rating Factor 5: Achieving Results and Program Evaluation (up to 10 points)

This factor evaluates whether you have an effective, quantifiable, outcome-oriented evaluation plan for measuring your SHOP performance as evidenced by your eLogic Model[®] submission. The eLogic Model[®] is a tool that integrates program operations and program accountability. HUD will rate your eLogic Model[®] submission based upon the matrix contained in Appendix B to the **General Section**. Successful applicants will be required to report annually on their progress in achieving their proposed outputs and outcomes in eLogic Model[®] form HUD-96010.

Content Requirements for Rating Factor 5

a. Program eLogic Model[®] (up to 10 points). The eLogic Model[®] allows you to select from drop down menus, the service or activity output and related outcome indicators that are applicable to your SHOP program design. Instructions for the eLogic Model[®] are found in Tab 1 of the form HUD-96010 "Program Outcome Logic Model." The Master eLogic Model[®] SHOP listing identifies the unit of measure that HUD will collect for each of the service or activity output and related outcome indicators that you have selected. The Master eLogic Model[®] can be found in the "Instructions Download" for the SHOP application that is available at www.grants.gov. You must enter your projected numerical accomplishments for each unit of measure that you select. More guidance on the eLogic Model[®] can be found in the **General Sections** V.A.1.d. "Use of HUD Logic Model", VI.C. "Reporting" and VI.C.5. "Logic Model Format."

SHOP service or activity output indicators and outcome indicators are summarized below in eLogic Model[®] SHOP Table 1 "Service or Activity Output Indicators" and Table 2 "Outcome Indicators." These indicators are separated into "Required" and "If Applicable." You must select from the drop down menus on form HUD-96010, all service or activity output indicators and related outcome indicators labeled "Required" in Table 1 and Table 2 that are applicable to

your SHOP program design. Note that the “Required” dropdown menu indicators relate to your entire SHOP program, not just to the activities that are eligible for SHOP funding. If your program design includes both new construction and rehabilitation, you must include the service or activity output indicators and related outcome indicators that apply to both your “Housing New Construction” and “Housing Rehabilitation” program designs. If your program involves only one approach, then you must include the service or activity output indicator and related outcome indicators that apply to that approach. In addition, you are expected to select at least one other service or activity output indicator and related outcome indicators. For the outcome indicator “Housing-Increased Housing Stability, Average increased assets in savings - Dollars,” you must not report on homebuyers’ existing savings. You must only report homebuyers’ equity (including sweat equity) in the unit at the time the housing unit is occupied. This equity increases any other assets in savings that the homebuyer may have at the time of closing. If your program furthers the Departmental policy priorities “Sustainability” and “Capacity Building and Knowledge Sharing” addressed in Rating Factor 3, you must select from the drop down menus of form HUD-96010, all service or activity output indicators and related outcome indicators that apply to these SHOP policy priorities (refer to the indicators that are listed in the “If Applicable” column of Tables 1 and 2). You must summarize your program evaluation tools for the measurement of your service or activity output indicators and related outcome indicators, including the performance of individual consortium members and affiliates (if applicable). You must identify where data will be maintained, the source of the data and the frequency of the data collection. You must describe the steps you have in place or how you plan to make adjustments if you begin to fall short of your output and outcome projections. You should save your eLogic Model[®] in excel 97-2003 and make sure the file extension is .xls. Do not convert your file to a .pdf file.

b. eLogic Model[®] SHOP Table 1 and Table 2.

| Table 1. Service or Activity Output Indicators | |
|--|--|
| Required | If Applicable |
| <p>Acquisition</p> <ul style="list-style-type: none"> Acquisition of real property and infrastructure improvements-Same property-SHOP funded-Properties and Dollars Acquisition of real property only-SHOP funded-Properties and Dollars <p>Infrastructure</p> <ul style="list-style-type: none"> On-site improvements only-Completed-SHOP funded-Properties and Dollars <p>Housing</p> <ul style="list-style-type: none"> New construction <ul style="list-style-type: none"> --Average estimated cost of construction cited in the secured | <p>Business Opportunities</p> <ul style="list-style-type: none"> Other-Businesses and Dollars Section 3-Businesses and Dollars <p>Employment Opportunities</p> <ul style="list-style-type: none"> Other-Available Jobs and Persons Section 3-Available Jobs and Persons <p>Training Opportunities</p> <ul style="list-style-type: none"> Other-Persons Section 3-Persons <p>Outreach</p> <ul style="list-style-type: none"> Identify income-eligible homebuyers-Outreach to single heads of households-Households <p>Policy Priority-Sustainability</p> |

| | |
|--|--|
| <p>building permits-Dollars --Building permit(s) secured-Units --Construction materials and equipment secured-Units --Homeowners completing sweat equity-Households --Sweat equity-Hours --Volunteer labor-Hours</p> <ul style="list-style-type: none"> • Rehabilitation --Building permit(s) secured-Units. --Construction materials and equipment secured-Units --Homeowners completing sweat equity-Households --Sweat equity-Hours --Volunteer labor-Hours • Total number of certificates of occupancy received-Households <p>Outreach</p> <ul style="list-style-type: none"> • Qualified homebuyers who obtained a home during period of performance-Households <p>Energy-Efficiency</p> <ul style="list-style-type: none"> • Housing new construction or gut rehabilitation --3 stories or less-ENERGY STAR Qualified-Units --Over 3 stories-exceeds ASHRAE Standards by 20 percent-Units • Housing rehabilitation-Design incorporates ENERGY STAR equipment and products that are appropriate for the ENERGY STAR Climate Zone-Units <p>Water Conservation</p> <ul style="list-style-type: none"> • Housing-Design incorporates WaterSense labeled products-Units | <ul style="list-style-type: none"> • Housing new construction or gut rehabilitation --3 stories or less-At least 20 percent of units exceed ENERGY STAR standards-Units --Over 3 stories-At least 20 percent of units exceed ASHRAE standards by more than 20 percent-Units • Housing --Utilize Green building practices-Units --Incorporate Universal Design standards-Units --Incorporate Visitability Design standards-Units <p>Policy Priority - Capacity Building</p> <ul style="list-style-type: none"> • Increase knowledge and capacity of consortium members/affiliates --Deliver ongoing training, technical assistance and support in program or project design skills-Sessions --Deliver ongoing training, technical assistance and support in financial management skills-Sessions --Deliver ongoing training, technical assistance and support in construction management skills-Sessions --Deliver ongoing training, technical assistance and support in organizational management skills-Sessions --Deliver ongoing training, technical assistance and support in other planning and management skills-Sessions • Promote innovative practices-Practices <p>Other (Up to three service or activity outcome indicators-specify)</p> |
| Table 2. Outcome Indicators | |
| Required | If Applicable |
| <p>Housing</p> <ul style="list-style-type: none"> • New construction --Average dollar increase of property | <p>Business Opportunities</p> <ul style="list-style-type: none"> • Other-Businesses and Dollar. • Section 3-Businesses and Dollars |

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| <p>tax assessments-Dollars -- Increased equity value of all housing units-Dollars</p> <ul style="list-style-type: none"> • Rehabilitation --Average dollar increase of property tax assessments-Dollars -- Increased equity value of all housing units-Dollars • Average increased homeownership rate-Percentage* • Total number of housing units occupied by homebuyers-Units • Average reduced sales price: --from 1 to10 percent-Dollars and Units --from 11 to 30 percent-Dollars and Units --greater than 30 percent-Dollars and Units • Increased housing stability --Average decreased housing costs-Dollars** --Average increased assets in savings-Dollars** • Total property tax from all units created during period of performance-Dollars <p>Energy-Efficiency</p> <ul style="list-style-type: none"> • Housing new construction or gut rehabilitation --3 stories or less-Decrease in energy use through ENERGY STAR-Average Energy Savings per Unit --Over 3 stories-Decrease in energy use by exceeding the ASHRAE standards by 20 percent-Average Energy Savings per Unit • Housing rehabilitation-Decrease in energy use through ENERGY STAR equipment and products-Average Energy Savings per Unit <p>Water Conservation</p> <ul style="list-style-type: none"> • Decrease in water usage through WaterSense labeled products-Average | <p>Employment Opportunities</p> <ul style="list-style-type: none"> • Other-Available Jobs and Persons • Section 3-Available Jobs and Persons <p>Training Opportunities</p> <ul style="list-style-type: none"> • Other-Persons • Section 3-Persons <p>Outreach</p> <ul style="list-style-type: none"> • Female headed households participating in the program-Households • Children in female headed households who benefited from the program-Children • Male headed households participating in the program-Households • Children in male headed households who benefited from the program-Children <p>Policy Priority-Sustainability</p> <ul style="list-style-type: none"> • Housing new construction or gut rehabilitation --Increase in energy-efficiency from 20 percent to 25 percent-Units --Increase in energy efficiency over 25 percent-Units • Housing --Met LEED, NGBS, Enterprise or other Green building standards-Units --Met Universal Design standards-Units --Met Visitability Design standards-Units <p>Policy Priority-Capacity Building</p> <ul style="list-style-type: none"> • Increase knowledge and capacity of consortium members/affiliates-Units completed on time and within budget-Units • Promote innovative practices-Adoption of innovative practices-Consortium Members/Affiliates <p>Other (Up to three outcome indicators-specify)</p> |
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| | |
|------------------------|--|
| Water Savings per Unit | |
|------------------------|--|

*This is the average percentage increase of additional homeowner units in the community.

**This is the average percentage of reduced housing costs to the families or increased assets (equity) to the household.

6. RC/EZ/EC-II Bonus Points (2 points). You will receive up to 2 bonus points for eligible activities that you proposes to locate in federally designated Empowerment Zones (EZs), Renewal Communities (RCs), or Enterprise Communities (ECs) designated by the United States Department of Agriculture (USDA) in Round II (EC-IIs) that are intended to serve the residents of these areas and that are certified to be consistent with the area’s strategic plan or RC Tax Incentive Utilization Plan for an urban or rural Renewal Community designated by HUD (RC) or the strategic plan for an Enterprise Community designed in round II by USDA (EC-II). For ease of reference in this notice, all of the federally designated areas are collectively referred to as “RC/EZ/EC-IIs” and the residents of these federally designated areas as “RC/EZ/EC-II residents.” A list of RC/EZ/EC-IIs can be obtained from HUD’s grants website at www.hud.gov/offices/adm/grants/fundsavail.cfm. You can determine if your program or project activities are located in one of these designated areas by using the locator on HUD’s website at <http://egis.hud.gov/egis/>. You must submit a completed RC/EZ/EC-II certification (a valid HUD-2990 form) in order for your application to be considered for RC/EZ/EC-II bonus points. Copies of this certification form can be found in the electronic application. The certification must be completed and signed by the appropriate official in the RC/EZ/EC-II. In addition to the RC/EZ/EC-II certification, you must provide the location of the EC/EZ/EC-II (name of town, city, state, or other locale) if not otherwise identified on the certification, and the number of SHOP units to be developed within the RC/EZ/EC-II in order to receive credit. RC/EZ/EC-II bonus points will be awarded as follows: 2 points if over 25 percent of your proposed SHOP units will be in RC/EZ/EC-II zones; 1 point if 10 to 25 percent of your proposed SHOP units will be in RC/EZ/EC-II zones; and 0 points if less than 10 percent of your proposed SHOP units will be in RC/EZ/EC-II zones.

7. Preferred Sustainable Communities Status Bonus Points (2 points). You will receive 2 bonus points if you are working in the following ways with communities that have received Preferred Sustainability Status under the HUD FY 2010 Sustainable Communities Regional Planning Grant Program and/or the FY 2010 HUD funded Challenge Grant Program (hereafter referred to as the Preferred Sustainability Status Communities), as follows:

a. Sustainability Purposes. You are engaged in activities, that in consultation with the designated Point of Contact of the HUD designated Preferred Sustainability Status Community, further the purposes of the Regional Planning Grant Program or the HUD Challenge Grant Program;

b. Livability Principles. Your proposed activities either directly reflect the Livability Principles cited and contained in the **General Section I.B.2** or will result in the delivery of services that are consistent with the goals of the Livability Principles; and

c. Ongoing Relationship. You have committed to maintaining an on-going relationship with a HUD Preferred Sustainability Status Community for the purposes of being part of the planning and implementation processes in the designated area. You must submit a completed “Certification of Consistency and Nexus between Activities Proposed by the Applicant with Livability Principles Advanced in Preferred Sustainability Status Communities” (HUD-2995 form). This certification must be signed and dated anytime from the date of the publication of the 2011 SHOP NOFA on www.Grants.gov to the deadline date for submitting your 2011 SHOP NOFA application. HUD will not accept any certification signed before or after these dates. More guidance can be found in **General Section V.1.b.B.** “Review and Selection Process.”

B. Review and Selection Procedures

1. Technical Deficiencies. After the application deadline date and consistent with regulations in 24 CFR part 4, subpart B, HUD will not consider any unsolicited information you may provide. However, HUD may contact you to clarify an item in your application or to correct a technical deficiency. In order not to unreasonably exclude applications from being rated and ranked, HUD may contact applicants to ensure proper completion of the application. HUD will do so on a uniform basis for all applicants. However, HUD may not seek clarification of items or responses that improve the substantive quality of your response to any Rating Factor. Examples of curable (correctible) technical deficiencies include inconsistencies in the funding request or a failure to submit certifications. In each case, HUD will notify you in writing by describing the clarification or technical deficiency and providing instructions for submitting corrections. Applicants will have 14 calendar days in which to provide missing information requested by HUD. You must submit your corrections by fax using the Facsimile Transmittal (form HUD-96011) from your application package as the cover sheet to your faxed material. You must indicate the name of the document transmitted and the technical deficiency you are correcting. If you have to submit multiple documents, for the ease of the reviewers, please submit each document separately using the Facsimile Transmittal form as the cover page for each document. HUD will match the faxes received to your application using the ID number on your Transmittal cover page. Refer to the **General Section V.B.** for additional information on the process for correcting deficient applications and submitting faxes.

2. Rating. HUD will rate all eligible applications that meet the Threshold Requirements against the criteria in Rating Factors 1 through 5 and assign a rating score. The maximum total rating score for the five Rating Factors is 100 points. HUD will award up to two bonus points to applicants that meet the RC/EZ/EC-II criteria. HUD will award two bonus points to applicants that meet the Preferred Sustainable Communities Status criteria.

3. Minimum Rating Score. Applicants must receive at least 20 points under Rating Factor 1 “Capacity of the Applicant and Relevant Organizational Staff” and a total rating score of 75 points or more for Rating Factors 1 through 5 (without the addition of RC/EZ/EC-II and Preferred Sustainable Communities Status bonus points) to be eligible for funding. HUD will reject any application that does not meet these minimum rating score requirements.

4. Ranking and Selection Procedures. After adding any bonus points for RC/EZ/EC-IIs and Preferred Sustainable Communities Status, HUD will place eligible applications that meet the

minimum rating score requirements, in ranked order. HUD will consider ranked order, funds availability, and past performance in the selection and funding of applications.

VI. Award Information

A. Grant Award

1. Award Amount. HUD will not fund any portion of an application that is ineligible for funding under the SHOP program requirements. The minimum grant award shall be the amount necessary to fund eligible SHOP activities for at least 30 units at an average investment of not more than \$15,000 per unit or a lesser amount if lower per unit costs are reflected in your SHOP application. If any funds remain after all grant award selections have been made, these remaining funds may be available for subsequent SHOP competitions. HUD reserves the right to fund less than the amount requested by any applicant based on the application's rank, the applicant's past performance, and the amount of funds requested relative to the total amount of available funds; and/or fund less than the full amount requested by any applicant to ensure a fair distribution of the funds and the development of housing on a national, geographically diverse basis as required by the SHOP statute.

2. Debriefing. Beginning 30 days after the awards for SHOP assistance are publicly announced through a period of at least 120 days, HUD will provide an applicant upon request with a debriefing related to HUD's application review. A debriefing request must be made in writing or by email by the applicant's authorized official whose signature appears on the SF-424, or his or her successor in the office. The request must be submitted to Ms. Ginger Macomber, Office of Affordable Housing Programs, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7162, Washington, DC 20410-7000 or ginger.macomber@hud.gov. Information that HUD will provide during a debriefing will include, at a minimum, the final score you received for each Rating Factor, HUD's final evaluation comments for each Rating Factor, and HUD's final determination concerning the basis upon which SHOP assistance was provided or denied.

B. Administrative and National Policy Requirements. Grantees are required to comply with the administrative and financial requirements of the following federal OMB Circulars and regulations: 2 CFR Part 230 "Cost Principles for Non-Profit Organizations" (OMB Circular A-122); OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations"; and those sections of the regulations at 24 CFR part 84 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" that are imposed by the SHOP grant agreement. Copies of the OMB Circulars may be obtained from EOP Publications, New Executive Office Building, Room 2200, Washington, DC 20503, telephone (202) 395-3080 (this is not a toll-free number) or 1-800-877-8339 (toll-free TTY Federal Information Relay Service) or from the website at www.whitehouse.gov/omb/circulars/index.html. You should refer to all award administration information requirements described in the **General Section VI**. "Award Administration Information."

C. Reporting

1. Quarterly and Annual SHOP Reports. Grantees are required to submit quarterly and annual SHOP reports providing data on the status, unit characteristics, and income, racial and ethnic composition of homebuyers of SHOP-assisted properties. Following issuance of a grant agreement and establishment of a line of credit for the grantee, the grantee must submit a revised eLogic Model[®] (form HUD-96010) that updates the output indicators and relates outcome indicators identified in the grantee's application, based upon the grantee's SHOP grant amount. Thereafter, grantees must submit annual updates following the schedule of the regular SHOP reporting. The eLogic Model[®] is structured for reporting years 1, 2, and 3 of grant activity. If all properties are not complete at the time all funds are drawn, grantees will continue to report in year 4 and possibly year 5 until all properties are completed and conveyed to homebuyers. An amended eLogic Model[®] shall be provided to grantees should they need to report year 4 and possibly year 5 activities and outcomes. Grantees are also required to submit annual responses to the management questions contained in the eLogic Model[®] for the SHOP program until all properties are completed and conveyed.

2. Section 3 Reporting. Successful applicants will be required to submit annual Section 3 data using form HUD-60002 to HUD, Office of Fair Housing and Equal Opportunity, 451 Seventh Street, SW, Room 5232, Washington, DC 20410, Attn: Economic Opportunity Division, or HUD's online system at <http://www.hud.gov/offices/fheo/section3/section3.cfm>.

3. Transparency Act Reporting.

a. Recipient Reporting to Meet the Requirements of the Federal Financial Assistance Accountability and Transparency Act of 2006 as amended.

(1) Prime Awardee Reporting. Prime recipients of HUD financial assistance are required to report subawards made either as pass-through awards, subrecipient awards, or vendor awards in the federal government-wide website www.fsr.gov or its successor system.

Starting with awards made October 1, 2010, and after, prime financial assistance awardees receiving funds directly from HUD are required to report subawards and executive compensation information both for the prime award and subawards, including awards made as pass-through awards or awards to vendors, where both the initial award is \$25,000 or greater or the cumulative award will be \$25,000 or greater if funded incrementally as directed by HUD in accordance with OMB guidance. The reporting of award and subaward information is in accordance with the requirements of the Federal Financial Assistance Accountability and Transparency Act of 2006, as amended by section 6202 of Public Law 110-252, hereafter referred to as the "Transparency Act" and OMB Guidance issued to the federal agencies on September 14, 2010, (75 FR 55669) and in OMB Policy guidance. The prime awardee will have until the end of the month plus one additional month after a subaward or pass-through award is obligated to fulfill the reporting requirement.

The Transparency Act requires the creation of a public government-wide website in which the following subaward data will be displayed:

- (a) Name of entity receiving award;
- (b) Amount of award
- (c) Funding agency;

- (d) North American Industry Classification System (NAICS) code for contracts/CFDA program for financial assistance awards;
- (e) Program source;
- (f) Award title descriptive of the purpose of the funding action;
- (g) Location of the entity (including Congressional district);
- (h) Place of Performance (including Congressional district);
- (i) Unique identifier of the entity and its parent; and
- (j) Total compensation and names of top five executives.

For the purposes of reporting into the FSRS reporting site, the unique identifier is the DUN and Bradstreet Universal Numbering System (DUNS) number the entity has obtained from Dun and Bradstreet, and for prime awardees the DUNS number registered in the Central Contractor Registration as required by HUD regulation 24 CFR 5.1004.

(2) Prime Awardee Executive Compensation Reporting. Prime awardees must report in the government-wide website the total compensation and names of the top five executives in the prime awardee organization if:

- (a) More than 80% of the annual gross revenues are from the federal government, and those revenues are greater than \$25 million annually; and
- (b) Compensation information is not readily available through reporting to the Securities Exchange Commission (SEC.)

(3) Subaward Executive Compensation Reporting. Prime awardees must report in the government-wide website the total compensation and names of the top five executives in the subawardees, pass-through or vendor organization if:

- (a) More than 80% of the annual gross revenues are from the federal government, and those revenues are greater than \$25 million annually; and
- (b) Compensation information is not readily available through reporting to the Securities Exchange Commission (SEC).

b. Transparency Act Reporting Exemptions. The Transparency Act exempts any subawards less than \$25,000 made to individuals or to an entity whose annual expenditures are less than \$300,000. Subawards with a cumulative total of \$25,000 or greater are subject to subaward reporting beginning the date the subaward total award amount reaches \$25,000. Any other exemptions to the requirements must be approved by the Office of Management and Budget.

4. Compliance with Section 872. The Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Pub. L. 110-417), hereafter referred to as “Section 872”, requires the establishment of a government-wide data system to contain information related to the integrity and performance of entities awarded federal funds. It is anticipated that the federal data system will be known as the Federal Awardee Performance and Integrity Information System (FAPIIS). Only federal officials and the entity will be able to view the information in the FAPIIS system.

Each recipient of federal funds with a cumulative value greater than \$10 million and their direct (i.e., first-tier) subrecipients will be required to report to the FAPIIS system. The data collection requirements include information about certain civil judgments, criminal convictions, and

outcomes of administrative proceedings that reached final disposition within the most recent 5-year period and were connected with the award or performance of a federal or state award. Recipients and first-tier subrecipients must report information at least semi-annually to maintain the currency of the information. Section 872 also requires that an entity be allowed to submit comments to the data system about any information that system contains about the entity. Use of the FAPIIS system requires a DUNS number and current valid registration in the CCR for HUD awardees and first-tier subrecipients.

Prior to making a funding decision, the federal official authorized to make the award is required to determine whether the entity is qualified to receive an award, taking into consideration any information about the entity that is in the data system. OMB is in the process of issuing regulations regarding federal agency implementation of Section 872 requirements. A proposed rule was published in the Federal Register on February 18, 2010, by OMB seeking public comments no later than April 19, 2010.

HUD's terms and conditions to its FY 2011 awards will contain requirements related to meeting Section FFATA and Section 872 requirements.

VII. Agency Contact(s)

Before the application deadline date, HUD staff may provide you with general guidance and technical assistance about this SHOP NOFA. However, HUD staff are not permitted to assist in preparing your application. Following selection of applicants, but before awards are announced, staff may also assist in clarifying or confirming information that is a prerequisite to the offer of an award. You may contact Ms. Ginger Macomber, SHOP Program, Office of Affordable Housing Programs, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7162, Washington, DC 20410-7000, telephone (202) 402-4605 (this is not a toll-free number). This number can be accessed via TTY by calling the toll-free Federal Information Relay Service Operator at 1-800-877-8339. For technical support for downloading an application or electronically submitting an application, please call the Grants.gov help desk at 1-800-518-GRANTS (this is a toll-free number) or send an email to support@grants.gov.

VIII. Other Information

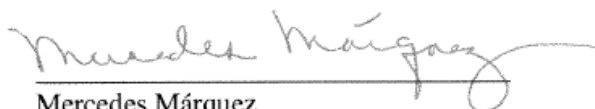
A. NOFA General Section. Sections VIII.A., B., E., F., and G. ("Other Information") of the **General Section**, are incorporated by reference into this SHOP NOFA. You should carefully review these sections.

B. Paperwork Reduction Act. The information collection requirements contained in this document were approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2506-0157. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. The public reporting burden for the collection of information is estimated to average 60 hours per annum per respondent for the application and grant administration. This includes the time for collecting, reviewing, and reporting the data for

the application, quarterly and annual reports, and the final report. The information will be used for grantee selection and monitoring the administration of funds. Response to this request for information is required in order to receive the benefits to be derived.

C. Finding of No Significant Impact. A Finding of No Significant Impact (FONSI) with respect to the environment has been made for this NOFA in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the FONSI must be scheduled by calling the Regulations Division at (202) 708-3055 (this is not a toll-free number).

Date: 7/1/11



Mercedes Márquez
Assistant Secretary for
Community Planning and Development

[FR-5500-N-11]