

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5600-N-05]

Notice of Funding Availability for Fiscal Year 2012 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 2012 for the Self-Help Homeownership Opportunity Program (SHOP).

SUMMARY: This SHOP NOFA announces the availability of \$13,500,000 in FY 2012 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.

This SHOP NOFA is governed by the information and instructions found in this SHOP NOFA and the Fiscal Year (FY) 2012 Notice of Funding Availability "Policy Requirements and General Section to HUD's FY2012 NOFAs for Discretionary Programs" (the **General Section**), posted to www.grants.gov on September 19, 2011. Applicants for assistance are directed to review the FY2012 **General Section** as well as this SHOP NOFA.

SHOP grant 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. Applicants must propose to use a significant amount of SHOP funds in at least two states. SHOP funds must be used for land acquisition, infrastructure improvements, and for reasonable and necessary planning, administration and management costs (not to exceed 20 percent). The construction or rehabilitation costs of each SHOP unit must be funded with other leveraged public and private funds. The average SHOP expenditure for the combined costs of land and infrastructure must not exceed \$15,000 per SHOP unit. Eligible low-income homebuyers must contribute a significant amount of sweat equity towards the development of the SHOP 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, and with the SHOP requirements. The SHOP units must be sold to the 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. These affiliates must be located within the grantee's service area.

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 FY2012 **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 800-HUD-8929 (toll-free). Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Relay Service at 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 (CPD), U.S. Department of Housing and Urban 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-5600-N-05, 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 SHOP application deadline date is **April 30, 2012**. Applications must be received by www.grants.gov no later than 11:59:59 p.m. Eastern Standard time on the application deadline date. Following receipt, applications go through a validation process through which an application will 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.

1. Available Funds. The available amount of SHOP funds is \$13,500,000.

2. Competitive Award. 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.

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. SHOP grantees must use a significant amount of SHOP funds in at least two states. SHOP funds must be used for land acquisition, infrastructure improvements, and for reasonable and necessary planning, administration and management costs (not to exceed 20 percent). The construction or rehabilitation costs of each SHOP unit must be funded with other leveraged public and private funds. The average SHOP expenditure for the combined costs of land and infrastructure must not exceed \$15,000 per SHOP unit. Eligible low-income homebuyers must contribute a significant amount of sweat equity towards the development of the SHOP 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, and with the SHOP requirements. The SHOP units must be sold to the 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. These affiliates must be located within the grantee's service area.

B. Authority. SHOP is authorized by Section 11 of the Housing Opportunity Program Extension Act of 1996 (Public Law 104-120, as amended, 42 U.S.C. 12805 note) (the "Act"). SHOP funds were appropriated for FY2012 on November 18, 2011, by the Department of Housing and Urban Development Appropriations Act of 2012, Public Law 112-55, 125 Stat. 552.

II. Award Information.

\$13,500,000 is available to fund grant awards under the FY2012 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 FY2012 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 an affiliate that develops five or more SHOP units must be expended within 36 months of the date that the SHOP funds are first made available for drawdown in the grantee's line of credit established by HUD.

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 housing opportunities 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 homeownership 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 homeownership 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 homeownership housing activities or funds affiliates that carry out self-help homeownership 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 homeownership housing activities or funds affiliates that carry out self-help

homeownership 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 homeownership 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 homeownership housing activities or fund affiliates to carry out self-help homeownership housing activities.

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

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

c. Organization with a Future Relationship. A local non-profit self-help homeownership 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 this FY2012 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 FY2012 SHOP program. You may not amend a prior written agreement.

B. Cost Sharing or Matching. There is no cost sharing or matching requirement under this SHOP NOFA. However, grantees are required to leverage resources for the construction and/or rehabilitation of self-help homeownership 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 (Public Law 104-120, as amended, 42 U.S.C. 12805 note) (the “Act”), the **General Section** 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 application submissions for “Applicant Eligibility” and “SHOP Program Design and Scope of Work” to ensure that you have met all of these Threshold Requirements. SHOP “Applicant Eligibility” submission requirements are described in SHOP NOFA Section IV.B.7.b. “SHOP Program Design and Scope of Work” submission requirements are described in SHOP NOFA Section IV.B.7.c.

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 homeownership housing 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 organizations 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 a 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 homeownership housing opportunities.” Your organization must have successfully completed at least 30 self-help homeownership 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 homeownership 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 a dwelling to qualify as a self-help homeownership housing unit, the homebuyer must have contributed a significant amount of sweat-equity toward the construction or rehabilitation of the unit 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 homeownership housing units. The average SHOP expenditure for the combined costs of land acquisition 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. 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. There are three categories of 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 your SHOP grant; costs of providing civil rights and fair housing training to your 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.(7).

j. Sweat Equity. The statute requires that self-help homeownership 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 homeownership 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.n., 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 homeownership 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. 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.

m. 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.n. for additional guidance.

n. 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, at or before closing you must provide each homebuyer with unit-specific information on the cost and carrying charges for the homebuyer’s SHOP unit that is 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.

o. 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.

p. No Duplicate Submissions. You must not propose to fund any affiliate or consortium member under your FY2012 SHOP application that is also seeking FY2012 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.

q. Dun and Bradstreet Data Universal Numbering System (DUNS). You must have a DUNS number to receive a SHOP grant. Refer to the **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>.

r. 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. The grantee and its affiliates must comply with all statutory and regulatory requirements applicable to SHOP cited in the **General Section III.C.**, 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. 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.” The grantee 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 an affiliate that develops five or more SHOP units (and grant funds used by the grantee for directly related administrative costs) must be expended within 36 months of the date that the funds are first made available for drawdown in the grantee’s line of credit established by HUD. The grantee and its affiliates must develop and convey all proposed SHOP units in a timely manner in accordance with the schedule the grantee submits in response to SHOP NOFA Rating Factor 3, or as subsequently may be amended with HUD approval.

b. Energy-Efficiency. The grantee and its affiliates must incorporate specific energy-efficiency measures in the construction and/or rehabilitation of the grantee’s SHOP units.

All SHOP units in newly constructed buildings must be certified as meeting the guidelines for either ENERGY STAR New Homes or ENERGY STAR Multifamily High Rise (MFHR), as determined by the U.S. Environmental Protection Agency and the U.S. Department of Energy. All SHOP units in gut rehabilitated buildings that qualify for either ENERGY STAR New Homes or ENERGY STAR Multifamily High Rise (MFHR) must be certified as meeting these guidelines, as determined by the U.S. Environmental Protection Agency and the U.S. Department of Energy.

For SHOP units that are not certified as meeting the guidelines for ENERGY STAR New Homes or ENERGY STAR Multifamily High Rise (MFHR), all features, appliances and products that are installed or replaced must have an ENERGY STAR label (when such ENERGY STAR features, appliances and products exist) and be installed in accordance with the ENERGY STAR requirements. ENERGY STAR features, appliances and products must be used that are appropriate for achieving energy-efficiency for the Climate Zone in which the unit is located, in accordance with ENERGY STAR requirements. For lighting, the Grantee must use ENERGY STAR labeled CFLs, LEDs, or pin-based lighting fixtures or light bulbs.

ENERGY STAR is an energy-conservation program sponsored by the U.S. Environmental Protection Agency and the U.S. Department of Energy. Information about ENERGY STAR guidelines can be found at <http://www.energystar.gov>. At such time as the ENERGY STAR or HUD’s energy-efficiency standards or requirements shall change, HUD shall require compliance with the updated standards or requirements after providing the Grantee with reasonable notice.

All SHOP homebuyers must be provided guidance on the proper use and maintenance of the energy-saving features, appliances and products that have been installed in their units.

c. Water Conservation. The grantee and its affiliates must incorporate specific water-conservation measures in the construction and/or rehabilitation of the grantee's SHOP units. All water-usage products that are installed or replaced in SHOP units, including toilets, showers and faucets, must bear the "WaterSense" label when such WaterSense products exist.

WaterSense is a water conservation program sponsored by the U.S. Environmental Protection Agency (EPA). Information about WaterSense products can be found at <http://www.epa.gov/watersense/>.

All SHOP homebuyers must be provided guidance on the proper use and maintenance of the water conservation products that have been installed in their units.

d. Affirmatively Furthering Fair Housing. The grantee must affirmatively further fair housing by promoting fair housing rights and fair housing choice in housing programs funded by the grantee's SHOP award. When the grantee will carry out self-help homeownership housing activities under its SHOP grant, the grantee must adopt and follow affirmative marketing requirements and procedures. When the grantee's affiliates will carry out self-help homeownership housing activities under the grantee's SHOP grant, the grantee must require each affiliate to adopt and follow affirmative marketing requirements in accordance with the grantee's established procedures. Affirmative marketing consists of taking actions to provide information and otherwise attract eligible persons in the housing market to the grantee's SHOP program without regard to race, color, national origin, sex, religion, familial status or 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 least 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. The grantee and its affiliates must also encourage racial and ethnic diversity in the selection of SHOP housing sites. If the grantee will use a competitive process to select affiliates, the grantee's selection criteria must consider how an affiliate's proposal will enhance racial and ethnic diversity.

e. Accessibility for Qualified Individuals with Disabilities. The grantee and its 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 newly constructed or rehabilitated to be accessible upon request of the homebuyer in accordance with 24 CFR 8.29.

f. Economic Opportunities for Low- and Very Low-Income Persons (Section 3). The grantee and its 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 improvements 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>.

g. 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.

The grantee and its 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. The grantee and its affiliates must ensure that all 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). 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 the URA requirements must be maintained by the grantee, including evidence of compliance by the grantee's affiliates.

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.

h. Environmental Review. The grantee and its 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. The grantee and its affiliates must not undertake any project or activity or commit federal or nonfederal funds or assistance to a project or activity that could 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 the grantee's 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 grant funds for such advances will depend on the result of the environmental review and award of SHOP grant funds under this SHOP NOFA (also refer to SHOP NOFA Section IV.E. "Funding Restrictions").

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

j. Lead Safe Requirements. The grantee and its 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. The grantee and its 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; <http://www.epa.gov/lead/pubs/renovation.htm>).

k. Indoor Air Quality. The grantee and its affiliates are encouraged to comply with the Environmental Protection Agency's (EPA) Indoor airPLUS specifications so that the grantee's SHOP units provide improved indoor air quality. (http://www.epa.gov/indoorairplus/construction_specifications.html).

l. Standards of Financial Control. The grantee, including all affiliates and consortium members, must comply with the requirements of 24 CFR 84.21 "Standards for Financial Management Systems."

m. Earnings. "Earnings" means any interest, fees, loan repayments or other income directly generated by the use of SHOP grant funds that are received by the SHOP grantee (including consortium members). Earnings also include affiliate repayments to the grantee of principal and interest on a loan made to the affiliate with SHOP grant funds. Such loan repayments are Earnings received by the grantee, even when deposited into a revolving loan fund account. Any income directly generated by the use of Earnings is also Earnings.

Earnings are SHOP grant funds and are subject to all SHOP requirements. The grantee must use all Earnings received as of the date that the grantee submits its SHOP Grant Financial Close Out report to HUD for SHOP eligible activities, in accordance with the grantee's SHOP grant agreement. The grantee must report to HUD on the use of these Earnings in accordance with HUD's instructions.

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 www.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 www.grants.gov website at http://www.grants.gov/applicants/apply_for_grants.jsp. If you need assistance downloading the material, you may contact the www.grants.gov Help Desk at 800-518-GRANTS and a customer service representative will assist you. The www.grants.gov help desk is open 7 days a week, 24 hours a day except federal holidays. You may also e-mail 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 800-HUD-8929 or 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 http://www.grants.gov/applicants/apply_for_grants.jsp. 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 on www.grants.gov is the official document that HUD uses to solicit applications. Therefore, if there is a discrepancy between the information posted on www.grants.gov and any materials published by HUD on its website or other information provided in paper copy, the information posted on www.grants.gov prevails. Be sure to review your application against the requirements published for the SHOP competition and posted on www.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 seven sections: 1) Standard Forms; 2) Applicant Eligibility; 3) SHOP Program Design and Scope of Work; 4) Narrative Statements for Rating Factors; 5) Certifications for Bonus Point Factors; 6) Forms, Certifications and Assurances; and 7) Appendices.

There are five SHOP NOFA Rating Factors and two Bonus Point Factors. The SHOP NOFA Rating Factors and Bonus Point Factors are identified in SHOP NOFA Section V.A. “Criteria.” You must address the five Rating Factors in your 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 www.grants.gov)

b. Applicant Eligibility (no page limit).

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

c. SHOP Program Design and Scope of Work (25 page limit).

- _____ SHOP Program Summary (not included in the 25 page limit)
- _____ SHOP Grant Request and Proposed Use of Funds
- _____ Consortium Participating Members (if applicable)

- _____ Affiliates (if applicable)
- _____ Description of SHOP Properties
- _____ Property Standards
- _____ 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
- _____ Financial Control Procedures
- _____ 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. Certifications for Bonus Point Factors (no page limit)

- _____ 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)

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

- _____ HUD_424_CB_Grant_Application_Detailed_Budget ("HUD Detailed Budget Form" on www.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_2993_Acknowledgement_of_Application_Receipt (for applicants submitting paper applications only)
- _____ HUD_96011_Third_Party_Documentation_Facsimile_Transmittal ("Facsimile Transmittal Form" on www.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)

g. Appendices (no page limit).

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

7. Application Content. Your application must address each of the following 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 www.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 www.grants.gov system to submit the application on behalf of the applicant.

b. Applicant Eligibility (no page limit).

(1) Self-help Homeownership 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 homeownership housing organization or private non-profit self-help homeownership 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 homeownership 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 (if applicable). You must submit a Consortium Agreement for the purpose of applying for and using FY2012 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 FY2012 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 homeownership housing units within the past 24 months. You must identify the dates for your 24 month reporting period. **Your 24 month reporting period should end as close as possible to the submission of your SHOP application.** You must provide the specific number of units completed. 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, and the average number of volunteer labor hours contributed for each 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. This appendix does not count towards your application page limits.

c. SHOP Program Design and Scope of Work (25 page limit). You must submit a summary and narrative description of your SHOP Program Design and Scope of Work. Your SHOP Program Design and Scope of Work is limited to 25 pages, not including your summary and Appendices. HUD will hold you accountable for your SHOP Program Design and Scope of Work. In order to ensure that your proposed SHOP 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 SHOP 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 SHOP Program Design and Scope of Work will be incorporated by reference into your SHOP grant agreement. Your SHOP Program Design and Scope of Work must address the following:

(1) SHOP Program Summary. You must provide a summary of the key elements of your SHOP Program Design and Scope of Work. This summary does not count towards your 25 page limit. At a minimum, your summary must include:

- (a) SHOP Grant request: \$_____
- (b) Consortium: Yes_____ No_____
- (c) Lead consortium entity (if applicable): _____
- (d) Consortium members (if applicable): _____
- (e) SHOP Grant funds for land acquisition: \$_____; _____%
- (f) SHOP Grant funds for infrastructure improvements: \$_____; _____%
- (g) SHOP Grant funds for planning, administration and management \$_____; _____%
- (h) Total budget: \$_____
- (i) Amount of leveraged resources: \$_____
- (j) Leveraged resources as a percent of total budget: _____%
- (k) Pre-agreement costs (specify): _____
- (l) Service area (specify, including states): _____
- (m) Total number of SHOP units: _____
- (n) Number of newly constructed units: _____ or _____%
- (o) Number of gut rehabilitated units: _____ or _____%
- (p) Number of other rehabilitated units: _____ or _____%
- (q) Accessibility: _____ units; _____%
- (r) Visitability: _____ units; _____%
- (s) Definition of annual income: _____
- (t) Minimum sweat equity hours, one individual: _____ hours
- (u) Minimum sweat equity hours, more than one individual: _____ hours
- (v) Estimated volunteer labor hours per SHOP unit: _____ hours
- (w) Estimated number of affiliates (if applicable): _____
- (x) Percent of affiliates monitored on site (if applicable): _____
- (y) Estimated date of conveyance of all SHOP units: _____
- (z) Other (optional; specify): _____

(2) SHOP Grant Request and Proposed Use of Funds. You must state your total SHOP grant request for FY2012. 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 improvements 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; and costs to affirmatively further fair housing. If you or your affiliates will charge indirect costs, you must identify the applicable indirect cost rate(s), the date of approval and the approving agency. Refer to 2 CFR part 230. You must identify any pre-agreement costs you propose to charge after the effective date of your SHOP grant agreement, including any pre-agreement costs you have authorized your affiliates to incur. Refer to SHOP NOFA Section III. C.3.g. for a discussion of eligible SHOP activities and costs.

(3) Consortium Participating Members (if applicable). 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 each member anticipates constructing should you receive FY2012 SHOP funding. This information must be provided in an Appendix. This Appendix does not count towards the 25 page limit.

(4) Affiliates (if applicable). 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 FY2012 SHOP funding. This list must be provided in an Appendix. This Appendix does not count towards the 25 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 FY2012 SHOP funding. This list must be provided in an Appendix. This Appendix does not count towards the 25 page limit.

(5) Description of SHOP Properties. You must provide a description of the SHOP properties you intend to fund. Specifically, you must provide the total number of proposed SHOP units. You must describe the housing types (single family or multifamily, or both), and the form of ownership (e.g., fee simple, condominium, cooperative, community land trust, etc.), and provide the estimated number of units or percentage of your total units for each housing type and form of ownership. You must describe whether you will undertake new construction, gut rehabilitation and/or other rehabilitation of your SHOP units, and provide the estimated number of units or percentage of your total units for each type of development.

(6) Property Standards. You must describe your procedures for ensuring that you and your affiliates only use SHOP grant funds for decent, safe and sanitary non-luxury dwellings that comply with local building safety codes and standards. You must describe how you will ensure that your completed SHOP units comply with the SHOP energy-efficiency requirements (refer to SHOP NOFA Section III.C.4.b.) and water conservation requirements (refer to SHOP NOFA Section III.C.4.c.). You must briefly describe any other energy-efficiency or Green development standards that you will use and provide the estimated number of units or percentage of your total units that will comply with each standard. You must describe whether you will use indoor-air quality standards and provide the estimated number of units or percentage of your total units that will comply with these standards. You must describe how you will meet the accessibility requirements of 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. SHOP units must be made accessible upon request of the homebuyer in accordance with 24 CFR 8.29. You must provide the estimated number of units or percentage of your total units that will be accessible. You must also describe any universal design and/or visitability standards that you propose to incorporate into your SHOP units and provide the estimated number of units or percentage of your total units that will incorporate each type of standard. Refer to the **General Section I.B.2.(e)** for guidance on universal design and visitability standards.

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

(8) 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. If you will use affiliates, you must describe how you will ensure that your affiliates will comply with your program's sweat equity requirements, including whether you will establish a uniform or minimum hourly (or other) value for each homebuyer's sweat equity contribution.

(9) Volunteer Labor. You must describe your program's approach for involving volunteer labor. You must identify the projected sources of volunteer labor contributions 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. If you will use affiliates, you must describe how you will ensure that your affiliates will comply with your program's approach for involving volunteer labor, including whether you will establish a uniform approach for valuing volunteer labor contributions.

(10) Mutual Self-help Housing Programs (if applicable). A mutual self-help housing program generally involves four to ten participating families organized in a group who complete construction work on their homeownership 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. You must identify whether your SHOP program will involve a mutual self-help housing program. You must identify the mutual self-help housing program(s) and provide the estimated number of units or percentage of your total units that will also be assisted by each mutual self-help housing program.

(11) 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 professional services when determining the sale price. You must describe whether you will account for the value of 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. If you will use affiliates, you must describe how you will ensure that your affiliates will comply with your program's approach for establishing the sale price.

(12) 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. If you will use affiliates, you must describe how you will ensure that your affiliates will comply with these requirements.

(13) Typical SHOP Unit Table. You are encouraged to use the following table (or a similar table) to demonstrate your approach and your affiliates' approach to valuing sweat equity; valuing donated land, materials and professional services; valuing volunteer labor contributions; establishing your SHOP unit sales price; and determining the mortgage and/or other loan amount for a typical SHOP unit. Enter your estimated or average cost, value or amount. If your SHOP 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 homeownership 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 SHOP 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	Value of Volunteer Labor	Final Cost, Value or Amount*	Comments
Land Acquisition					
Infrastructure Improvements					
Construction or Rehabilitation					
Other (Specify)					
TOTAL COST					
SHOP Investment Subsidy		NA			
Other Subsidy (Specify)		NA			
TOTAL SUBSIDY		NA			
SALE PRICE		NA			
APPRAISED VALUE		NA			
Homebuyer Sweat Equity		NA			
Other Homebuyer		NA			

Equity (Specify)					
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.

(14) Program Outreach. You must describe the procedures and materials or services that you will use 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. If you will use affiliates, you must describe how you will ensure that your affiliates will comply with your procedures for program outreach.

(15) Financial Control Procedures. You must describe your financial control procedures, including how you will disburse and control funds that are provided to your consortium members and affiliates. 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:

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

(b) 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;

(c) 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;

(d) 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;

(e) 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

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

If you will use affiliates, you must describe how you will ensure that your affiliates will comply with 24 CFR 84.21, “Standards for Financial Management Systems and your financial control procedures.

(16) Monitoring Schedule. You must provide a schedule for monitoring your SHOP program for compliance with the SHOP program requirements (including compliance with the cross-cutting federal requirements described in the **General Section** and this SHOP NOFA). Your schedule must include both your distance monitoring reviews and on-site monitoring reviews. If you have consortium members or affiliates, your schedule must also include monitoring each consortium member and affiliate at least once during your Grant Term. Over 50 percent of your monitoring reviews of your consortium members and affiliates must be conducted on-site. Your schedule must show how many distance monitoring reviews and on-site monitoring reviews you will conduct each year during your Grant Term. Your schedule also must show any additional distance monitoring reviews and on-site monitoring reviews that you will conduct after your SHOP Grant Term has ended but before your SHOP Grant Final Close Out.

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. Certifications for Bonus Point Factors (no page limit). You must submit executed Bonus Point certifications in order to receive bonus points. Refer to SHOP NOFA Section V.A.6 “Bonus Point Factors.”

f. 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.f. for a list of required forms, certifications and assurances.

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

C. Application Submission Dates and Times. Your completed application must be received by www.grants.gov no later than 11:59:59 p.m. Eastern Standard time on **April 30, 2012.**

Following receipt, your application will go through a validation process. If the application fails the www.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 your application is rejected. In particular, you should carefully read the section titled “Instructions on how to Download an Application Package and Application Instructions” in the **General Section IV.B.5.** 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 eligible pre-agreement costs for your 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 improvements 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 must 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 that 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 improvement costs that are incurred before the publication date of this SHOP NOFA.
 - f.** Infrastructure improvement 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.** Costs incurred before the publication date of this SHOP NOFA.
 - b.** Pre-agreement costs that are not eligible for reimbursement, such as costs that are not identified in your SHOP application or pre-agreement costs that are not eligible in accordance with this SHOP NOFA.
 - c.** Development costs that are not land acquisition or infrastructure improvement costs, such as permitting fees, property taxes during the construction period, performance bonds, and landscaping.
 - d.** Construction, rehabilitation or improvement costs of any dwelling unit.
 - e.** Land acquisition costs for land banking purposes (i.e., holding land for an indefinite period).
 - f.** Acquisition costs of land that is owned by you or your affiliates, or in which you or your affiliates have an interest.
 - g.** Refinancing of loans for land acquired before the publication date of this SHOP NOFA.
 - h.** Costs of land acquisition that does not comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).
 - i.** Interest on loans used to pay for infrastructure improvement costs.
 - j.** Planning, administration and management costs which are not related to your SHOP grant.
 - k.** Planning, administration and management costs which exceed 20 percent of your SHOP grant.

l. 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.

m. Indirect costs that are not incurred in accordance with 2 CFR Part 230 “Cost Principles for Non-Profit Organizations” (OMB Circular A-122).

n. Lobbying activity costs.

o. 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 the Electronic Submission Requirement. You must submit your application electronically via www.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 www.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 completeness, eligibility and Threshold Requirements. HUD will reject incomplete applications, 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 and two Bonus Points 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, for a total limit of 35 pages. You are limited to 4 pages to address Rating Factor 2 “Need/Extent of Problem.” To receive bonus points, you must submit the certifications that are required by this SHOP NOFA for each Bonus Point Factor. These certifications do not count towards your Rating Factors page limits.

HUD will only review and rate the information that you submit in response to the five Rating Factors and the two Bonus Points Factors. **HUD will not review and rate information contained in other sections of your SHOP application (including the “Self-help Homeownership Housing Organization Statement of Qualifications” and the “SHOP Program Design and Scope of Work”), except for the “Typical Shop Unit Table” required by SHOP NOFA Section IV.B.7.(c)(13). 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 and two Bonus Points Factors. After grant award, you must notify HUD of any changes that affect your original response to any of the five Rating Factors or Bonus Points Factors. HUD will reevaluate your score for those Factors. Any changes to your rating score could affect your SHOP grant award.

1. Rating Factor 1: 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 compliance with the SHOP NOFA requirements. HUD will consider your experience, past performance, program management and financial management. 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 homeownership housing activities that are the same as, or similar to, the activities you propose for funding under your SHOP application. You must identify the dates for your five year period. **Your five year period should end as close as possible to the submission of your SHOP application.** Your experience may include managing self-help homeownership 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 each consortium member. You must describe the type of self-help homeownership housing program your organization managed and your role(s) and responsibilities for carrying out the development of your self-help

homeownership housing units. You must address the scale of your self-help homeownership housing program, including the total number and location of units you completed, the average number of units undertaken each year, 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 homeownership 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 homeownership 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 homeownership housing activities.

(1) Applicants that have been awarded SHOP grants during the previous five year period. You must summarize your past performance in carrying out the activities that were approved under the SHOP grants that were awarded to you during the most recent five year period. You must identify the dates for your five year period. **Your five year period should end as close as possible to the submission of your SHOP application.** If you are a consortium, you must summarize the past performance of each individual consortium member. You must describe your success in meeting your benchmarks and timetables. For each SHOP grant, you must specify the percent of units conveyed within 24 months from the end of your Grant Term. You must describe any delays and obstacles that you and/or your affiliates encountered and the actions you took or are taking 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 FY2012 program. You must indicate whether HUD has deobligated any of your SHOP 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. HUD will also consider your SHOP performance reports and other data that are available to HUD, including monitoring reports, audit reports, and SHOP Grant Close Out reports.

(2) Applicants that have not been awarded SHOP grants during the previous five year period. You must summarize your performance in carrying out your self-help homeownership housing activities during the most recent five year period. You must identify the dates for your five year period. Your five year period should end as close as possible to the submission of your SHOP application. If you are a consortium, you must summarize the past performance of each individual consortium member. 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 or are taking to overcome these delays and obstacles. You must indicate whether any 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. Program Management (up to 10 points). You must describe how you will ensure that you, and your consortium members and/or affiliates, will manage your SHOP program in a timely, effective, and compliant manner. You must provide a description of your organization’s program management structure, including an organizational chart that identifies all key management positions and the names and positions of all staff who will manage 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 staff for the management and oversight of your proposed SHOP program from grant approval through to the completion and ownership conveyance of your proposed SHOP units. You must briefly describe the skills and capacity of your program management staff. You must identify any staffing or skills gaps and discuss how you plan to address these gaps. 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 program management activities of your consortium members. If you propose to use affiliates, you must identify the staff that will manage and oversee the performance of your affiliates. If you are a consortium, you must describe how each affiliate will be linked to an individual consortium member that will have oversight responsibility for that affiliate. You must describe the standards or criteria you will use to ensure that each affiliate has the capacity to manage its SHOP program in a timely manner. You must also describe the standards or criteria you will use to ensure that each affiliate has the capacity to implement its SHOP activities in accordance with the SHOP requirements and your SHOP program design. You must describe any technical assistance you will provide to your affiliates.

d. Financial Management (up to 10 points). You must describe how you will ensure that you, and your consortium members, will comply with your financial control procedures and the requirements of 24 CFR part 84.21 “Standards for Financial Management Systems.” Refer to SHOP NOFA Section IV.B.7.c.(15). You must describe the specific roles and responsibilities of your financial management staff. You must briefly describe the skills and capacity of your financial management staff. You must identify any staffing or skills gaps and discuss how you plan to address these gaps. 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 financial management activities of your consortium members. If you propose to use affiliates, you must describe the standards or criteria you will use to ensure that each affiliate has adequate financial management capacity. You must also describe the standards or criteria you will use to ensure that each affiliate has adequate financial controls that meet your standards and the requirements of 24 CFR part 84.21. You must describe any technical assistance you will provide to your affiliates.

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 homeownership 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 Homeownership 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 demonstrate the need for affordable self-help homeownership housing by providing reliable statistical data on housing problems, such as overcrowding; cost burdens; foreclosures; housing age; housing deterioration or other severe physical problems including lack of adequate infrastructure or utilities; low homeownership rate (especially among minority families); and lack of housing for families with children. You must cite the sources for your data. 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 prior to the issuance date of this SHOP NOFA, including data contained in a State or local Consolidated Plan. National applicants must, at a minimum, use regional-level data to demonstrate the need for affordable self-help homeownership housing. Regional applicants must, at a minimum, use state-level data to demonstrate the need for affordable self-help homeownership housing. General, national-level data should not be used unless you also use regional-level 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-level or state-level housing problems in the individual affiliate areas and describe those housing problems in your application. Also, to the extent information is available, you must describe the need for physically accessible homes in your target areas; evidence of any 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 applicable.

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 selecting your local affiliates (if applicable), expending your SHOP grant 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. SHOP Program Design (up to 8 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 other underserved low-income groups, and how you will encourage racial and ethnic diversity in the selection of your SHOP

housing sites. You must describe the standards or criteria you will use to ensure that each homebuyer can afford their SHOP unit at the time of purchase and how you will help each homebuyer sustain homeownership during the long term. If you propose to use affiliates, you must describe how you will ensure that each affiliate meets your affordability and sustainability standards or criteria, including your uniform or minimum hourly (or other) value for each homebuyer's sweat equity contribution. You must describe any standards that you will use to limit the monthly housing cost burden of your homebuyers, and whether these standards will apply to all of your affiliates. You must describe whether you will provide pre-purchase homebuyer counseling. You must describe whether you will provide post-purchase homebuyer counseling or other types of post-purchase interventions to help your homebuyers maintain homeownership. If you propose to use affiliates, you must describe what percentage of affiliates will provide pre-purchase homebuyer counseling and 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. For other types of interventions, you must describe the nature of the intervention and the entity that will deliver the intervention. 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 describe whether you have established a uniform or minimum standard for valuing the homebuyer's sweat equity contribution. If you propose to use affiliates, you must describe how you will ensure that each affiliate meets your standards or criteria for valuing each homebuyer's sweat equity contribution. You must discuss whether you or your affiliates will reduce each SHOP unit's sale price by the value of donated land, materials and/or professional services. You must discuss whether you or your affiliates will further reduce each SHOP unit's sale price by the value of volunteer labor contributions and if so, the average amount of the reduction.

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

(1) 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.

(2) Grant Expenditure (up to 2 points). You must submit a schedule that demonstrates that you will expend all of your SHOP grant funds by the end of your Grant Term (24 months for your organization and 36 months for each affiliate that develops five or more SHOP units). Refer to SHOP NOFA Section III.C.4.a.

(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. At a minimum, your schedule must provide quarterly benchmarks. You must identify the percentage or number of units you propose to complete and to convey by the end of your Grant Term (24 months for your organization and 36 months for each affiliate that develops five or more SHOP units). You must identify the percentage and number of SHOP units you propose to complete and to convey one year after the end of your Grant Term. HUD expects that you will convey most of your SHOP units no later than one year after the end of your Grant Term. You must identify the percentage and number of SHOP units you propose to complete and to

convey more than one year after the end of your Grant Term, and provide annual benchmarks for the final completion and conveyance of all SHOP units.

c. SHOP Budget (up to 5 points). You must submit a detailed SHOP budget on the forms HUD-424-CB “Grant Application Detailed Budget.” You must submit a separate HUD-424-CB for Year 1, Year 2, Year 3 and “All Years.” You must submit a HUD-424-CBW “Grant Application Detailed Budget Worksheet” that supports your HUD-424-CB “All Years” budget total. 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. If you propose to leverage funds from other sources, you must identify the amounts in the appropriate budget columns. If your leveraged funds include other HUD or federal funds, you must identify the federal program source (e.g. HUD HOME, HUD CDBG, USDA Sec. 502). On the HUD-424-CBW, you must include a separate budget line item under the appropriate 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 budget estimates must include the costs of complying with the SHOP program and statutory requirements, including energy-efficiency, water conservation, lead safety and accessibility. You must include separate budget line items for distance monitoring and on site monitoring of your SHOP activities (including monitoring of your consortium members and affiliates). If you or your affiliates propose pre-purchase homebuyer counseling and/or post-purchase homebuyer counseling, you must also include separate budget line items for providing each type of counseling. Note that pre-purchase and post-purchase counseling must be financed with leveraged funds. If the values of sweat equity; donated land, materials and professional services; and/or volunteer labor contributions are included in your total budget, you must include a separate budget line item for each type of contribution under the appropriate budget category and enter the amount in the appropriate budget column. You must also identify the indirect cost rate you will use, if applicable.

d. SHOP Program Performance and Compliance (up to 10 points). You must demonstrate that you have adequate procedures to ensure that you, and your consortium members and/or affiliates, are performing in a timely manner and in compliance with the SHOP program requirements.

(1) SHOP Program Performance (up to 5 points). You must describe your procedures for tracking your SHOP program performance, and the performance of your consortium members and/or affiliates. You must describe your procedures for determining whether you, and your consortium members and/or affiliates, are at risk of failing to meet your performance schedules and deadlines. You must describe how and when you will shift funds among projects, and among affiliates and/or consortium members, in order to ensure timely and effective use of your SHOP funds. You must describe any routine reports you will use to track and evaluate your SHOP program performance, including any reports that must be submitted by your consortium members and/or affiliates. You must identify your performance measures and indicators. You must describe your procedures for addressing any performance issues and ensuring that corrective actions are taken.

(2) SHOP Program Compliance (up to 5 points). You must describe your procedures for tracking your SHOP program compliance, and the compliance of your consortium members and/or affiliates. You must describe how you will ensure that SHOP funds are only used for eligible costs and activities. You must describe your procedures for determining whether you, and your consortium members and/or affiliates, are at risk of failing to comply with any of your SHOP compliance

requirements, including your program compliance standards and criteria, the SHOP requirements and other applicable federal requirements. You must describe any routine reports you will use to track and evaluate your SHOP program compliance, including any reports that must be submitted by your consortium members and/or affiliates. You must identify your compliance measures and indicators. You must describe your procedures for addressing any compliance issues and ensuring that corrective actions are taken.

(3) Technical Assistance (if applicable). If you propose to fund inexperienced affiliates, you must describe the technical assistance and other efforts you will employ to mentor these affiliates and develop their capacity to complete their FY2012 SHOP-assisted units in accordance with your SHOP requirements, budget and timeframes. 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.**

(1) Sustainability (up to 3 points). Refer to the **General Section I.B.2.** for guidance about HUD's policy priority for "Sustainability. You will receive up to 3 points based on how well your proposed SHOP activities address each of the following strategies:

(a) Promote Green Building Practices (1 point). You will receive 1 point if at least twenty percent of your SHOP units will be built or rehabilitated to a recognized Green building rating standard by utilizing one of several recognized Green rating programs for new construction or substantial rehabilitation, including such programs as the ENERGY STAR Advanced New Home Construction; Enterprise Green Communities Initiative; the NAHB Green Building Standards; LEED for Homes (for single family); LEED New Construction (for multifamily or commercial development); as well as regionally or locally recognized green standards such as Earthcraft or Built Green.

(b) Promote Healthy HOME Design (1 point). You will receive 1 point if at least twenty percent of your SHOP units will incorporate healthy home design features that meet or exceed the mandatory requirements identified in a Green building standard such as the Enterprise Green Communities - Healthy Living Environment criteria (Category 7), Environmental Protection Agency's (EPA) Indoor airPLUS specifications or similar requirements in other nationally or locally recognized Green rating programs.

(c) Promote Universal Design (1 point). You will receive 1 point if at least twenty percent of your SHOP units will incorporate universal design principles and /or visitability standards. 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 that will increase staff 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 Staff Capacity (1 point). You will receive 1 point if you will increase the capacity of your staff, and the staff of your consortium members and affiliates, 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, water-efficient, Green, healthy and/or universal design 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, and share data among other SHOP grantees, self-help homeownership housing organizations and your affiliates and consortium members; and/or 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 general support of your organization or your SHOP application; documents that do not state the dollar value of the leveraged resources; or documents that do not link the leveraged resources to your FY2012 SHOP application or specific projects in your application. HUD will consider the total amount of your firm commitments for leveraged resources and the source of your leveraged resources (federal, state, local, or other).

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 FY2012 SHOP application program and/or specific activities that are proposed in your FY2012 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 or your affiliate has received resources from contributing entities from previous years that are not fully committed to another activity and you or your affiliate has the sole discretion to commit these uncommitted resources to your FY2012 SHOP program, you must submit a separate letter clearly committing these uncommitted resources to your FY2012 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. If an individual written document covers multiple resource commitments, your chart must list each resource commitment separately. 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 of the following additional elements that must be included in the written document. You must check the appropriate column to indicate that the written document includes: signature of the authorized official; your organization’s name; type of leveraged resource; source of leveraged resource; and statement indicating that the leveraged resource is firmly committed to support your FY2012 SHOP application program and/or specific activities that are proposed in your FY2012 SHOP application. 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 firm fund-raising commitment. 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. If an individual written document covers multiple fund-raising commitments, your chart must list each fund-raising commitment separately. 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 (as stated in the written document). The fifth column must indicate whether the proposed source of the leveraged resource is federal funds. Your chart must also have a column for each of the following additional elements that must be included in the written document. You must check the appropriate column to indicate that the written document includes: signature of authorized official; your organization's name; proposed type of fund-raising contribution; a statement indicating that the proposed fund-raising contribution will support your FY2012 SHOP application program and/or specific activities that are proposed in your FY2012 SHOP application; and a description of your fund-raising efforts. HUD will reject commitments of fund raising from federal grant sources. HUD also 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 procedure for monitoring your SHOP program performance and compliance. This factor also evaluates whether you have an effective process for evaluating the effectiveness of your SHOP program. HUD will consider the quality of your monitoring procedures, the frequency and type of your monitoring reviews, your process for corrective actions, the quality of your evaluation plan, the relationship of your goals to the needs that you identify, and how you will use your evaluation results. HUD will require SHOP grantees to submit periodic progress reports on their SHOP program achievements. HUD will also require grantees to submit periodic reports on their monitoring results and program evaluation results.

Content Requirements for Rating Factor 5

a. Monitoring Procedures (up to 5 points). You must describe how your distance monitoring and on-site monitoring reviews and schedule (described in your SHOP Program Design and Scope of Work) will ensure that your SHOP program is undertaken in a timely manner and in compliance with the SHOP program requirements. You must describe your review protocols for your distance monitoring reviews 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 the frequency of your distance monitoring reviews and on-site monitoring reviews. You must describe how you will meet your obligation to monitor each consortium member and affiliate at least once during your SHOP Grant Term and to conduct more than 50 percent of these monitoring reviews on-site. Refer to SHOP NOFA Section IV.B.7.c.(16). You must identify the percentage of consortium members and affiliates that you will monitor on-site and describe your criteria for selecting these entities. You must identify the number of monitoring reviews you will conduct (including any on-site reviews) before your SHOP Grant Term has ended. You must identify the number of monitoring reviews you will conduct (including any on-site reviews) after your SHOP Grant Term has ended, but before your SHOP Grant Final Close Out (i.e. completion and conveyance of all of your SHOP units). You must describe your criteria for making this determination.

b. Evaluation Plan (up to 5 points). You must describe your process for evaluating the effectiveness of your SHOP program design in achieving your SHOP goals. Goals are the results or outcomes you hope to accomplish. You must identify your quantifiable SHOP program goals. You must identify both primary and secondary goals. For example, the primary goals of your SHOP program may be an increase in homeownership in your target areas by 10 percent, a reduction in the annual housing cost for SHOP homebuyers to no more than 30 percent of monthly income, and/or a decrease in the amount of time it takes to complete an average SHOP unit by three months. A secondary goal of your SHOP program may be to increase the number of Section 3 businesses receiving SHOP contracts by 10 percent. You must describe how your goals are related to the needs identified in Rating Factor 2. You must identify the quantifiable output indicators or measures you will use to determine whether your SHOP program design is achieving your goals. You must describe how you will collect this data. You must describe how often you will collect this data. You must describe how you will use the results of your evaluation process to improve your SHOP program effectiveness.

6. Bonus Point Factors (no page limit)

a. RC/EZ/EC-II Bonus Points (2 points). You will receive up to 2 bonus points for eligible activities that you propose 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(s) (a valid HUD-2990 form) for each RC/EZ/EC-II in order for your application to be considered for RC/EZ/EC-II bonus points. You must include this certification in an Appendix. This Appendix does not count towards your

application page limit. Copies of this certification form can be found in the electronic application. The certification must be completed and signed by the appropriate authorized 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.

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

(1) 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

(2) Ongoing Relationship. You have committed to maintaining an on-going relationship with one or more 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) for one or more communities, in order for your application to be considered for Preferred Sustainable Communities Status bonus points. You must include this certification(s) in an Appendix. This Appendix does not count towards your application page limit. Each certification must be signed and dated any time from the date of the publication of the FY2012 SHOP NOFA on www.grants.gov to the deadline date for submitting your FY2012 SHOP NOFA application. HUD will not accept any certification signed before or after these dates. More guidance can be found in **General Section V.A.b.**

B. Review and Selection Procedures

1. Technical Deficiencies. After the SHOP 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 curable 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.(2)** 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 (including the timely completion and conveyance of all self-help homeownership units) 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 NOFA 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 for land acquisition and infrastructure improvements, 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 e-mail 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, SHOP Program Manager, 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 regulations and OMB circulars. 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 800-877-8339 (toll-free TTY Federal 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.”

1. 2 CFR Part 230: “Cost Principles for Non-Profit Organizations” (OMB Circular A-122);

2. 24 CFR part 84: Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations” except for the program income requirements found at 24 CFR part 84.24 and those requirements that apply to the disposition of real property found at 24 CFR part 84.30 through 24 CFR part 84.37.

3. OMB Circular A-133: “Audits of States, Local Governments, and Non-Profit Organizations”

C. Reporting

1. Quarterly and Annual SHOP Reports. In accordance with HUD’s instructions, grantees are required to submit quarterly and annual SHOP reports to HUD that provide data on: the status of the grantee’s SHOP program; SHOP unit characteristics; income, racial and ethnic composition of SHOP homebuyers; SHOP Earnings; and other performance indicators. Grantees must submit these reports until all SHOP properties are completed and conveyed (SHOP Grant Final Close Out). HUD may also require grantees to submit reports on a grantee’s monitoring results, evaluation results, and responses to HUD management questions.

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. Recipient Reporting to Meet the Requirements of the Federal Funding Accountability and Transparency Act of 2006. See Section 111.C.5.t. of the **General Section**.

4. Recipient Reporting in Compliance with Section 872 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Pub. L. 110-417), hereafter referred to as “Section 872.” Section 872 requires the establishment of a government-wide data system, the “Federal Awardee Performance and Integrity Information System (FAPIIS).” This data system will contain information

related to the integrity and performance of entities awarded federal financial assistance. Federal officials also will use this data system in making awards. OMB is in the process of issuing regulations regarding federal agency implementation of the Section 872 requirements. HUD may issue a technical correction to the **General Section** when these regulations are promulgated.

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 Relay Service Operator at 800-877-8339. For technical support for downloading an application or electronically submitting an application, please call the www.grants.gov help desk at 800-518-GRANTS (this is a toll-free number) or send an e-mail to support@grants.gov.

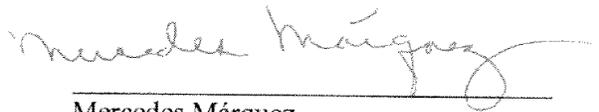
VIII. Other Information

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 265.5 hours per annum per respondent for the preparation and submission of the SHOP application in response to this SHOP NOFA. The information will be used by HUD to select SHOP grantees and award SHOP grant funds. A response to this request for information is required in order to apply for 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 can be found on HUD's web page under "Funds Available; SHOP Program" at [http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail under FY2012](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail_under_FY2012)

Date: 2-27-2012



Mercedes Márquez
Assistant Secretary for
Community Planning and Development