



U.S. Department of Housing and Urban Development

Community Planning and Development

Self-Help Homeownership Opportunity Program (SHOP)

FR-6700-N-19

12/04/2023

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Community Planning and Development

Funding Opportunity Title:

Self-Help Homeownership Opportunity Program (SHOP)

Funding Opportunity Number:

FR-6700-N-19

Assistance Listing Number (formerly CFDA Number):

14.247

Due Date for Applications:

12/04/2023

OVERVIEW

The U.S. Department of Housing and Urban Development (HUD) issues this Notice of Funding Opportunity (NOFO) to invite applications from eligible applicants for the program and purpose described within this NOFO. You, as a prospective applicant, should carefully read all instructions in all sections to avoid sending an incomplete or ineligible application. HUD funding is highly competitive. Failure to respond accurately to any submission requirement could result in an incomplete or noncompetitive proposal.

In accordance with [Title 24 part 4, subpart B](#) of the Code of Federal Regulations (CFR), during the selection process (which includes HUD's NOFO development and publication and concludes with the award of assistance), HUD is prohibited from disclosing covered selection information. Examples of impermissible disclosures include: 1) information regarding any applicant's relative standing; 2) the amount of assistance requested by any applicant; and 3) any information contained in the application. Prior to the application deadline, HUD may not disclose the identity of any applicant or the number of applicants that have applied for assistance.

For further information regarding this NOFO, direct questions regarding the specific requirements of this NOFO to the agency contact identified in section VII.

Paperwork Reduction Act Statement. In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501- 3520) (PRA), the Office of Management and Budget (OMB) approved the information collection requirements in this NOFO. HUD may not conduct or sponsor, and a person is not required to respond to a collection of information unless the collection displays a valid OMB control number. This NOFO identifies its applicable OMB control number, unless its collection of information is excluded from these requirements under [5 CFR part 1320](#).

OMB Approval Number(s):

2506-0157

I. FUNDING OPPORTUNITY DESCRIPTION

A. Program Description

1. Purpose

The Self-Help Homeownership Opportunity Program (SHOP) awards grant funds to eligible national and regional non-profit organizations and consortia to purchase home sites and develop or improve the infrastructure needed to set the stage for sweat equity and volunteer-based homeownership programs for low-income persons and families.

Through this NOFO, HUD is making \$13,500,000 of FY2023 SHOP grant funds available to national and regional non-profit organizations and consortia. SHOP units must be decent, safe, and sanitary non-luxury dwellings that comply with state and local codes, ordinances, and zoning requirements, and with all other SHOP requirements.

Only national and regional non-profit organizations and consortia with experience providing self-help homeownership housing programs are eligible to apply. Applicants must propose to use a significant amount of SHOP grant funds in at least two states. Individuals are not eligible applicants for SHOP grant funds. Applications received from individuals will not be reviewed by HUD.

Land acquisition, infrastructure improvements, and reasonable and necessary planning and administration costs (not to exceed 20 percent) are the only eligible uses for SHOP grant funds. The average SHOP expenditure for the combined cost of land acquisition and infrastructure improvements cannot exceed \$25,000 per SHOP unit. Successful applicants must leverage other public and private funds to pay for the construction or rehabilitation costs of each SHOP unit and for any other program costs that are not assisted with SHOP grant funds.

The SHOP units must be sold to homebuyers at prices below the prevailing market price. Homebuyers must be low-income and must contribute a significant amount of sweat equity towards the development of the SHOP units. Reasonable accommodations must be made, whenever necessary to afford individuals with disabilities with equal opportunity to use and enjoy a dwelling. This includes making reasonable accommodations with respect to the sweat equity requirement. A homebuyer's sweat equity contribution cannot be mortgaged or otherwise restricted upon future sale of the SHOP unit. Volunteer labor is also required.

SHOP Grantees may award SHOP grant funds to local non-profit affiliate organizations to carry out the Grantee's SHOP program. These affiliate organizations must be located within the Grantee's service area.

2. HUD and Program-Specific Goals and Objectives

This NOFO supports [HUD's Strategic Plan for Fiscal Years \(FY\) 2022-2026](#) to accomplish HUD's mission and vision. Each of the five goals in the [Strategic Plan](#) include what HUD hopes to accomplish, the strategies to accomplish those objectives, and the indicators of success. However, of the five goals only those applicable to this NOFO are identified below.

You are expected to align your application to the applicable strategic goals and objectives below. Use the information in this section to describe in your application the specific goals, objectives, and measures that your project is expected to help accomplish. If your project is selected for funding, you are also expected to establish a plan to track progress related to those goals, objectives, and measures. HUD will monitor compliance with the goals, objectives, and measures in your project.

Applicable Goals and Objectives from HUD's Strategic Plan

1. Strategic Goal 1: Support Underserved Communities

Fortify support for underserved communities and support equitable community development for all people.

2. 1A: Advance Housing Justice

Fortify support for vulnerable populations, underserved communities, and Fair Housing enforcement.

3. 1B: Reduce Homelessness

Strengthen Federal, State, Tribal, and community implementation of the Housing First approach to reducing the prevalence of homelessness, with the ultimate goal of ending homelessness.

4. 1C: Invest in the Success of Communities

Promote equitable community development that generates wealth-building for underserved communities, particularly for communities of color.

5. Strategic Goal 2: Ensure Access to and Increase the Production of Affordable Housing

Ensure housing demand is matched by adequate production of new homes and equitable access to housing opportunities for all people.

6. 2A: Increase the Supply of Housing

Enhance HUD's programs that increase the production and supply of housing across the country.

7. 2B: Improve Rental Assistance

Improve rental assistance to address the need for affordable housing.

8. Strategic Goal 3: Promote Homeownership

Promote homeownership opportunities, equitable access to credit for purchase and improvements, and wealth-building in underserved communities.

9. 3A: Advance Sustainable Homeownership

Advance the deployment of tools and capital that put sustainable homeownership within reach.

10. 3B: Create a More Accessible and Inclusive Housing Finance System

Advance new policy, programs, and modernization initiatives that support a more equitable housing finance system. Promote the preservation and creation of affordable housing stock.

11. Strategic Goal 4: Advance Sustainable Communities

Advance sustainable communities by strengthening climate resilience and energy efficiency, promoting environmental justice, and recognizing housing's role as essential to health.

12. 4A: Guide Investment in Climate Resilience

Invest in climate resilience, energy efficiency, and renewable energy across HUD programs.

13. 4B: Strengthen Environmental Justice

Reduce exposure to health risks, environmental hazards, and substandard housing, especially for low-income households and communities of color.

14. 4C: Integrate Health and Housing

Advance policies that recognize housing's role as essential to health.

3. Changes from Previous NOFO

- **The FY 2023 SHOP NOFO includes the changes to the following:**
- HUD is making \$13,500,000 of FY2023 SHOP grant funds available to national and regional non-profit organizations and consortia through this NOFO.
- Funding categories have been removed from this NOFO.

- Section III.F contains two new requirements for all applicants to submit narratives which describe how they are Advancing Racial Equity and Affirmatively Marketing their programs and services under this NOFO.
- Section IV.G. Affirmatively Furthering Fair Housing (AFFH). This was previously required under Threshold Requirements and in the FY-2023 NOFO, the requirement moved to Section IV.G. Applicants must describe how their proposed NOFO activities are aligned with AFFH requirements.

4. Definitions

a. Standard Definitions

Affirmatively Furthering Fair Housing (AFFH) means taking meaningful actions, in addition to combating discrimination to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunities, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all program participant's activities and programs relating to housing and urban development.

Assistance Listing number refers to the unique number assigned to each Federal assistance program publicly available in the Assistance Listing, which is managed and administered by the General Services Administration. The Assistance Listing number was formerly known as the Catalog of Federal Domestic Assistance (CFDA) number.

Authorized Organization Representative (AOR) is a person authorized to legally bind your organization and submit applications via Grants.gov. The AOR is authorized by the E-Business Point of Contact (E-Biz POC) in the System for Award Management (see E-Biz POC definition). An AOR may include an Expanded AOR and/or a Standard AOR.

Expanded Authorized Organization Representative is a user in Grants.gov who is authorized by the E-Biz POC to perform the functions of a Standard AOR, initiate and submit applications on behalf of your organization, and is allowed to modify organization-level settings and certifications in Grants.gov.

Standard Authorized Organization Representative is a user in Grants.gov who is authorized by the E-Biz POC to initiate and submit applications in Grants.gov. A Grants.gov user with the Standard AOR role can only submit applications when they are a Participant for that workspace.

Consolidated Plan is the document submitted to HUD that serves as the comprehensive housing affordability strategy, community development plan, and submission for funding under any of the Community Planning and Development formula grant programs (e.g., CDBG, ESG, HOME, and HOPWA). This Plan is prepared in accordance with the process described in [24 CFR part 91](#). This plan is completed by engaging in a participatory process to assess their affordable housing

and community development needs and market conditions, and to make data-driven, place-based investment decisions with funding from formula grant programs. (See [24 CFR part 91](#) for HUD's requirements regarding the Consolidated Plan and related Action Plan).

Contract means, for the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a federal award. For additional information on contractor and subrecipient determinations, see [2 CFR 200.331](#).

Contractor means an entity that receives a contract as defined above and in [2 CFR 200.1](#).

Cooperative agreement has the same meaning defined at [2 CFR 200.1](#).

Deficiency, with respect to the making of an application for funding, is information missing or omitted within a submitted application. Examples of deficiencies include missing documents, missing or incomplete information on a form, or some other type of unsatisfied information requirement. Depending on specific criteria, a deficiency may be either Curable or Non-Curable.

*A **Curable Deficiency*** is missing or incomplete application information that may be corrected by the applicant with timely action. To be curable, the deficiency must:

- Not be a threshold requirement, except for documentation of applicant eligibility;
- Not influence how an applicant is ranked or scored versus other applicants; and
- Be remedied within the time frame specified in the notice of deficiency.

*A **Non-Curable Deficiency*** is missing or incomplete application information that cannot be corrected by an applicant after the submission deadline. A non-curable deficiency is a deficiency that is a threshold requirement, or a deficiency that, if corrected, would change an applicant's score or rank versus other applicants. If an application includes a non-curable deficiency, the application may receive an ineligible determination, or the non-curable deficiency may otherwise adversely affect the application's score and final funding determination.

E-Business Point of Contact (E-Biz POC) is an organization applicant who is responsible for the administration and management of grant activities for his or her organization. The E-Biz POC is likely to be an organization's chief financial officer or authorizing official. The E-Biz POC authorizes representatives of their organization to apply on behalf of the organization (see Authorized Organization Representative definition). There can only be one E-Biz POC per unique entity identifier (see definition of Unique Entity Identifier below).

Eligibility requirements are mandatory requirements for an application to be eligible for funding.

Environmental Justice means investing in environmental improvements, remedying past environmental inequities, and otherwise developing, implementing, and enforcing laws and policies in a manner that advances environmental equity and provides meaningful involvement for people and communities that have been environmentally underserved or overburdened, such as Black and Brown communities, indigenous groups, and individuals with disabilities. This definition does not alter the requirements under HUD's regulations at [24 CFR 58.5\(j\)](#) and [24 CFR 50.4\(l\)](#) implementing [Executive Order 12898](#). E.O. 12898 requires a consideration of how federally assisted projects may have disproportionately high and adverse human health or

environmental effects on minority and/or low-income populations. For additional information on environmental review compliance, refer to:

https://www.hud.gov/program_offices/comm_planning/environment_energy/regulations.

Equity has the meaning given to that term in Section 2(a) of Executive Order [13985](#) and means the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.

Federal Award, has the meaning, depending on the context, in either paragraphs (1) or (2) of this definition:

(1)

(a) The Federal financial assistance that a recipient receives directly from a Federal awarding agency or a subrecipient receives indirectly from a pass-through entity, as described in [2 CFR 200.101](#); or

(b) The cost-reimbursement contract under the Federal Acquisition Regulations that a non-Federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in [2 CFR 200.101](#).

(2) The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (2) of the definitions of Federal financial assistance in [2 CFR 200.1](#), and this NOFO, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.

(3) Federal award does not include other contracts that a Federal agency uses to buy goods or services from a contractor or a contract to operate Federal Government owned, contractor operated facilities (GOCOs).

(4) See also definitions of Federal financial assistance, grant agreement, and cooperative agreement in [2 CFR 200.1](#).

Federal Financial Assistance has the same meaning defined at [2 CFR 200.1](#).

Grants.gov is the website serving as the Federal government's central portal for searching and applying for Federal financial assistance throughout the Federal government. Registration on Grants.gov is required for submission of applications to prospective agencies unless otherwise specified in this NOFO.

Green and Resilient Building Standard means an industry-recognized standard incorporating both:

(1) Certification under (i) Enterprise Green Communities, (ii) Leadership in Energy and Environmental Design (LEED) (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development), (iii) International Code Council (ICC)-700 National Green Building Standard Green+ Resilience; or the (iv) Living Building Challenge, or (v) a regional standard such as Earth Advantage New Homes; or any other equivalent comprehensive green building program acceptable to HUD; and

(2) Minimum energy efficiency requirements, such as those defined in (i) ENERGY STAR (Certified Homes or Multifamily High-Rise), (ii) DOE Zero Energy Ready Home; (iii) regional or local certifications such as EarthCraft House, EarthCraft Multifamily; Greenpoint Rated New Home, Greenpoint Rated Existing Home (Whole House or Whole Building label); (iv) Passive House Institute Passive Building or EnerPHit certification from the Passive House Institute US (PHIUS), International Passive House Association.

Historically Black Colleges and Universities (HBCUs) are any historically Black college or university that was established prior to 1964, whose principal mission was, and is, the education of Black Americans, and that is accredited by a nationally recognized accrediting agency or association determined by the Secretary of Education to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation. [A list of accredited HBCUs can be found at the U.S. Department of Education's website.](#)

Minority-Serving Institutions (MSIs) are

- (1) a part B institution (as defined in [20 U.S.C. 1601](#));
- (2) a Hispanic-serving institution (as defined in [20 U.S.C. 1101a\(5\)](#));
- (3) a Tribal College or University (as defined in [20 U.S.C. 1059c](#));
- (4) an Alaska Native-serving institution or a Native Hawaiian-serving institution (as defined in [20 U.S.C. 1059d\(b\)](#));
- (5) a Predominantly Black Institution (as defined in [20 U.S.C. 1059e](#));
- (6) an Asian American and Native American Pacific Islander-serving institution (as defined in [20 U.S.C. 1059g](#)); or
- (7) a Native American-serving nontribal institution (as defined in [20 U.S.C. 1059f](#)).

Non-Federal Entity (NFE) means a state, local government, Indian tribe, Institution of Higher Education (IHE), or non-profit organization that carries out a federal award as a recipient or subrecipient.

Primary Point of Contact (PPOC) is the person who may be contacted with questions about the application submitted by the AOR. The PPOC is listed in item 8F on the SF-424.

Racial Equity is the elimination of racial disparities, and is achieved when race can no longer predict opportunities, distribution of resources, or outcomes – particularly for Black and Brown persons, which includes Black, Latino, indigenous, Native American, Asian, Pacific Islander, and other persons of color.

Promise Zones (PZs) are high poverty areas in select urban, rural and tribal communities designated from 2014-2016 where the federal government partners with local leaders to increase economic activity, improve educational opportunities, leverage private investment, reduce violent crime, enhance public health and address other priorities identified by the community. [See Promise Zones.](#)

Recipient means an entity, usually but not limited to non-Federal entities, that receives a federal award directly from HUD. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.

Resilience is a community's ability to minimize damage and recover quickly from extreme events and changing conditions.

Small business is defined as a privately-owned corporation, partnership, or sole proprietorship that has fewer employees and less annual revenue than regular-sized business. The definition of "small"—in terms of being able to apply for government support and qualify for preferential tax policy—varies by country and industry. The U.S. Small Business Administration defines a small business according to a set of standards based on specific industries. See [13 CFR Part 121](#).

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Subrecipient means an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a federal award but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

System for Award Management (SAM) is the Federal Repository into which an entity must provide information required for the conduct of business as a recipient. Registration with SAM is required for submission of applications via Grants.gov. You can access the website at <https://www.sam.gov/SAM/>. There is no cost to use SAM.

Threshold Requirements are eligibility requirements that must be met for an application to be reviewed, rated, and ranked. Threshold requirements are not curable, except for documentation of applicant eligibility, which are listed in Section III.D., Threshold Eligibility Requirements. Similarly, there are eligibility requirements under Section III.E., Statutory and Regulatory Requirements Affecting Eligibility.

Underserved Communities has the meaning given to that term in Section 2(b) of Executive Order [13985](#) and refers to populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the definition of "equity" above.

Unique Entity Identifier (UEI) means the identifier assigned by SAM to uniquely identify business entities. As of April 4, 2022, the Federal government has transitioned from the use of the DUNS Number to the use of UEI, as the primary means of entity identification for Federal awards government-wide.

b. Program Definitions.

(1) Lots Acquired - Lots acquired using SHOP funds that will be used for construction or rehabilitation of a SHOP Unit and conveyance to a SHOP eligible homebuyer.

(2) Units Under Construction - Units for which ground has been broken and construction is underway but not completed.

(3) Units Completed - Units for which a Certificate of Occupancy has been issued but the units have not been conveyed.

(4) Units Conveyed - Units for which titles have been conveyed to SHOP eligible homebuyers.

(5) Units Occupied - Units occupied by SHOP eligible homebuyers.

(6) Letter of firm commitment – A letter of commitment from an applicant’s partner organization by which the partner (a) agrees to perform an activity specified in the application, (b) demonstrates the financial capacity to deliver the resources necessary to carry out the activity, and (c) commits the resources to the activity, either in cash or through in-kind contributions.

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, referred to as the “SHOP” statute). HUD's authority for making funding available under this NOFO is the Consolidated Appropriations Act, 2023 (Public Law 117-328 approved December 29, 2022).

II. AWARD INFORMATION

A. Available Funds

Funding of approximately **\$13,500,000** is available through this NOFO. Subject to appropriations, HUD reserves the right to award fiscal year 2024 funds based on this NOFO competition.

Additional funds may become available for award under this NOFO consistent with Section VI.A.2.e., Adjustments to Funding. Use of these funds is subject to statutory constraints. All awards are subject to the funding restrictions contained in this NOFO.

B. Number of Awards

HUD expects to make approximately 7 awards from the funds available under this NOFO.

C. Minimum/Maximum Award Information

Estimated Total Funding:

\$13,500,000

Minimum Award Amount:

\$1,145,000

Per Project Period

Maximum Award Amount:

\$13,500,000

Per Project Period

D. Period of Performance

The Grantee must expend all SHOP grant funds within 24 months of the date that HUD makes the SHOP grant funds available for drawdown in the Grantee’s line of credit. Grantees are subject to 24-month expenditure deadlines unless they are providing SHOP funds to an affiliate

or subrecipient developing five or more SHOP units.

However, grant funds provided to a SHOP affiliate that develops five or more SHOP units must be expended within 36 months of the date that HUD makes the SHOP grant funds available for drawdown in the Grantee's line of credit. The Grantee must convey all SHOP units in order to meet the 36-month deadline requirement.

The Grantee's administrative costs directly related to the management and oversight of affiliates developing five or more SHOP units must also be expended within 36 months of the date the SHOP grant funds are made available in the Grantee's line of credit. HUD will establish a 24-month period of performance in the Disaster Recovery Grant Reporting (DRGR) system. Sixty (60) days before the expiration date of this 24-month period of performance, the Grantee must notify HUD in accordance with instructions in the grant agreement of any affiliates that are developing five or more SHOP units and have not fully drawn down their SHOP grant funds in DRGR.

Estimated Project Start Date:
04/15/2024

Estimated Project End Date:
12/21/2026

Length of Project Periods:
36-month project period and budget period

Length of Periods Explanation of Other:

Timely Performance. The Grantee and its affiliates must develop and convey all SHOP units within 36 months of the end of the applicable period of performance. HUD may grant an extension to a Grantee's performance schedule only when justified by good cause. HUD will require corrective actions when a Grantee fails to satisfy its approved schedule. HUD will note any failure to perform as required under the award as poor performance which may negatively affect an applicant's future SHOP funding.

E. Type of Funding Instrument

Funding Instrument Type:
G (Grant)

III. ELIGIBILITY INFORMATION

A. Eligible Applicants

12 (Nonprofits having a 501(c)(3) status with the IRS, other than institutions of higher education)

25 (Others (see text field entitled "Additional Information on Eligibility" for clarification))

Additional Information on Eligibility

Eligible applicants include public or private non-profit organizations, or a consortium of public or private non-profit organizations, that have the capacity and experience to provide or facilitate self-help homeownership opportunities on a national or regional basis. Grantees must directly undertake eligible SHOP activities and/or enter into a written agreement with one or more non-profit affiliate organizations to carry out eligible SHOP activities.

The term “you” as used in this NOFO refers to the SHOP applicant, including all consortium members. The term “consortium” refers to all consortium members. The term “Grantee” refers to a successful SHOP applicant, including all consortium members, that have been awarded SHOP grant funds under this NOFO. The term “affiliate” refers to an eligible non-profit organization that is an affiliate of a SHOP grantee.

a. Eligible SHOP Applicant

(i) 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.

(ii) 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.

(iii) 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 grant funds to carry out self-help homeownership housing activities on a national or regional basis. Individual consortium members may carry out self-help homeownership housing activities or fund affiliates to carry out self-help homeownership housing activities. The consortium must designate one member as the lead entity to act on behalf of all consortium members. The lead entity must be responsible and accountable for the timely performance and compliance of all consortium members. The consortium must execute a new written agreement with each affiliate that is participating in the consortium's FY2023 SHOP program. The consortium cannot amend a prior written agreement.

b. Affiliate Organization ("Affiliate")

Applicants may undertake eligible SHOP activities directly and/or enter into a written agreement with one or more non-profit, affiliate organizations to carry out the SHOP activities. If the applicant will use affiliate organizations, the affiliate must satisfy the following:

(i) Type of Organization: Your affiliates must be:

(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) or 501(c)(4) 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.

(ii) Service Area. Your affiliate must be located within your service area.

(iii) Written Agreement. You must have a written agreement with each of your affiliates that incorporates the requirements of this NOFO. 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 FY2023 SHOP program. You cannot amend a prior written agreement.

c. Planning and Administrative Costs

Planning and Administrative Costs are defined as any reasonable administrative and planning expenses relating to carrying out program activities which include general management, oversight, and coordination. Eligible planning and administrative costs may include but are not limited to, salaries, wages, and general management, oversight, and coordination of SHOP program activities. Up to 20% of the grant award may be used for planning and administrative costs.

Faith-based organizations

(1) Faith-based organizations may apply for this award on the same basis as any other organization, as set forth at [24 CFR 5.109](#), and subject to the protections and requirements of 42 U.S.C. 2000bb et seq., HUD will not, in the selection of recipients, discriminate against an organization based on the organization's religious character, affiliation, or exercise.

(2) A faith-based organization that participates in this program will retain its independence and may continue to carry out its mission consistent with religious freedom and conscience protections in Federal law, including the Free Speech and Free Exercise Clauses of the Constitution, 42 U.S.C. 2000bb et seq., 42 U.S.C. 238n, 42 U.S.C. 18113, 42 U.S.C. 2000e-1(a) and 2000e-2(e), 42 U.S.C. 12113(d), and the Weldon Amendment, among others. Religious accommodations may also be sought under many of these religious freedom and conscience protection laws, particularly under the Religious Freedom Restoration Act.

(3) A faith-based organization may not use direct financial assistance from HUD to support or engage in any explicitly religious activities except where consistent with the Establishment Clause and any other applicable requirements. Such an organization also may not, in providing services funded by HUD, discriminate against a beneficiary or prospective program beneficiary on the basis of religion, religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.

B. Ineligible Applicants

C. Cost Sharing or Matching

This Program does not require cost sharing or matching, but provides points based on leverage as described below.

Generally, federal sources are not allowed to be used as cost share or match unless otherwise permitted by a program's authorizing statute.

There is no matching requirement for SHOP; however, the Grantee may leverage resources for

the cost of construction and/or rehabilitation of self-help homeownership housing units assisted with SHOP grant funds, and for any other program costs that are not funded with SHOP grant funds. Refer to SHOP NOFO “Rating Factor 4: Leveraging Resources.”

D. Threshold Eligibility Requirements

Applicants who fail to meet any of the following threshold eligibility requirements are deemed ineligible. Applications from ineligible applicants are not rated or ranked and will not receive HUD funding.

1. Resolution of Civil Rights Matters

Outstanding civil rights matters must be resolved before the application submission deadline. Applicants with unresolved civil rights matters at the application deadline are deemed ineligible. Applications from ineligible applicants are not rated or ranked and will not receive HUD funding.

a. An applicant is ineligible for funding if the applicant has any of the charges, cause determinations, lawsuits, or letters of findings referenced in subparagraphs (1) – (5) that are not resolved to HUD’s satisfaction before or on the application deadline date for this NOFO.

- (1) Charges from HUD concerning a systemic violation of the Fair Housing Act or receipt of a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of a substantially equivalent state or local fair housing law proscribing discrimination because of race, color, religion, sex (including sexual orientation and gender identity), national origin, disability or familial status;
- (2) Status as a defendant in a Fair Housing Act lawsuit filed by the United States alleging a pattern or practice of discrimination or denial of rights to a group of persons raising an issue of general public importance under 42 U.S.C. 3614(a);
- (3) Status as a defendant in any other lawsuit filed or joined by the Department of Justice, or in which the Department of Justice has intervened, or filed an amicus brief or statement of interest, alleging a pattern or practice or systemic violation of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Americans with Disabilities Act, Violence Against Women Act, or a claim under the False Claims Act related to fair housing, non-discrimination, or civil rights generally including an alleged failure to affirmatively further fair housing;
- (4) Receipt of a letter of findings identifying systemic non-compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974; Violence Against Women Act; or the Americans with Disabilities Act; or
- (5) Receipt of a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of provisions of a state or local law prohibiting discrimination in housing based on sexual orientation, gender identity, or lawful source of income.

b. HUD will determine if actions to resolve the charge, cause determination, lawsuit, or letter of findings taken before the application deadline date will resolve the matter. Examples of actions that may be sufficient to resolve the matter include, but are not limited to:

- (1) Current compliance with a voluntary compliance agreement signed by all the parties;
- (2) Current compliance with a HUD-approved conciliation agreement signed by all the parties;
- (3) Current compliance with a conciliation agreement signed by all the parties and approved by the state governmental or local administrative agency with jurisdiction over the matter;
- (4) Current compliance with a consent order or consent decree;
- (5) Current compliance with a final judicial ruling or administrative ruling or decision; or
- (6) Dismissal of charges.

3. Application Threshold Requirements

See Section III.D. Program-Specific Requirements Affecting Eligibility.

2. Timely Submission of Applications

Applications submitted after the deadline stated within this NOFO that do not meet the requirements of the grace period policy are marked late. Late applications are ineligible and are not considered for funding. See Section IV. D. Application Submission Dates and Times.

E. Statutory and Regulatory Requirements Affecting Eligibility

Eligibility Requirements for Applicants of HUD’s Financial Assistance Programs

The following requirements affect applicant eligibility. Detailed information on each requirement is found in the [“Eligibility Requirements for Applicants of HUD’s Financial Assistance Programs” document on HUD’s Funding Opportunities page.](#)

- Universal Identifier and System for Award Management (SAM.gov) Requirements
- Outstanding Delinquent Federal Debts
- Debarments or Suspensions, or both
- Mandatory Disclosure Requirement
- Pre-selection Review of Performance
- Sufficiency of Financial Management System
- False Statements
- Prohibition Against Lobbying Activities

In addition, each applicant under this NOFO must have the necessary processes and systems in place to comply with the Award Term in Appendix A of [24 CFR part 170](#) if the applicant receives an award, unless an exception applies as provided in [2 CFR170.110](#).

F. Program-Specific Requirements

(1) No Duplicate Submissions. You must not propose to fund any affiliate or consortium member under your SHOP application that is also seeking FY2023 SHOP grant funds from another SHOP applicant. If an affiliate or consortium member applies for SHOP grant funds

through more than one applicant, HUD will disqualify that affiliate or consortium member from receiving funding.

(2) Eligible Applicant. HUD may only award SHOP grant funds to organizations that meet all of the following criteria:

(a) Non-profit Status - An eligible public or private non-profit organization under Federal, state or tribal law;

(b) Service Area – A national or regional organization or consortia (see Section III.A. “Eligible SHOP Applicants” of this NOFO) that serves at least two states; and

(c) Self-Help Homeownership Housing Experience - An organization experienced in providing or facilitating self-help homeownership housing opportunities as demonstrated by the successful completion of at least 30 self-help homeownership housing units in a national or regional area, consisting of at least two states, within the 24-month period preceding the submission of your SHOP application. This may include self-help homeownership housing units completed by one or more of your affiliates during this time period, provided these units were undertaken in accordance with a written agreement between you and your affiliate(s). For a dwelling to qualify as a self-help homeownership housing unit, a homebuyer (defined as the individual or individuals who own the completed unit) must have contributed a significant amount of sweat-equity toward the construction or rehabilitation of the unit as set forth in the SHOP NOFO Section III.F. (15) “Sweat Equity.”

(3) Consortium Agreement. If you are a consortium, all consortium members must sign and date a written Consortium Agreement for the purpose of applying for SHOP grant funds and carrying out SHOP activities in compliance with this NOFO. This Consortium Agreement must designate a lead entity authorized to submit the SHOP application on behalf of all consortium members. The Consortium Agreement must also state that the lead entity will be accountable for the performance and compliance of the Consortium's SHOP program in accordance with all requirements of this NOFO, and that each consortium member is responsible and accountable for the performance and compliance of its affiliates.

If funded, each consortium member must enter into a separate written agreement with the lead entity. This agreement must include the requirements of the FY2023 SHOP Grant Agreement executed between HUD and the consortium, and set forth each consortium member's responsibilities as described in your approved SHOP application. If the consortium uses affiliates, each affiliate must be linked to a consortium member that is responsible for the timely performance and SHOP compliance of that affiliate.

(4) Code of Conduct. You must develop, maintain and follow a written code of conduct in accordance with 2 CFR 200.318. Your Code of Conduct must be dated and signed by your Executive Director, or the Chair of the governing body of your organization.

(5) Section 3 Reporting Requirements. The Section 3 regulations at 24 CFR part 75, impose reporting and recordkeeping requirements on recipients.

(6) Number of SHOP Units. The SHOP 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 SHOP units. A "SHOP unit" means a self-help homeownership housing unit on land acquired with SHOP grant funds or for which infrastructure costs are paid with SHOP grant funds. You must propose to complete and convey a minimum of 30 SHOP units. The average SHOP grant expenditure on each SHOP unit for the combined costs of land acquisition and infrastructure improvements cannot exceed \$25,000 per

homeownership unit.

(7) Service Area. You must propose to use a significant amount of SHOP grant funds in a national or regional service area consisting of at least two states.

(8) Eligible Activities. The SHOP 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.” There are three categories of eligible SHOP activities. You must propose to use SHOP grant funds only for the cost of eligible SHOP activities. Eligible pre-agreement costs must be incurred on or after the publication date of this NOFO. You may carry out the eligible activities yourself or fund affiliates to carry out your eligible activities. Refer to SHOP NOFO Section IV.F. “Funding Restrictions” for additional guidance on pre-agreement costs, ineligible costs, and other restrictions.

(a) 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.

(i) “Land” shall mean real property acquired by the Grantee or its affiliate pursuant to a deed or a lease with a term of 99 years or more, except for Guam, the Northern Mariana Islands, the United States Virgin Islands, and American Samoa, where the lease term must be 40 years or more, and for Indian trust or restricted lands where the lease term must be 50 years or more. Upon request, HUD may approve other lease terms for good cause on a case-by-case basis.

(ii) If you or your affiliate use SHOP grant funds to acquire land with a building or other improvement affixed to it, you or your affiliate must allocate a portion of the acquisition cost to the land and a portion of the acquisition cost to the building or other improvements. Only the portion of the acquisition cost allocated to the land is an eligible land acquisition cost. Land acquisition is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA). See Section VI.B-Real Property Acquisition & Relocation for additional information.

(iii) You or your affiliate must own the land acquired with SHOP grant funds through completion of the SHOP unit. HUD may grant an exception to the ownership requirement for units also assisted through the United States Department of Agriculture's (USDA) Mutual Self-Help Housing Technical Assistance grants when the potential homebuyer is receiving a USDA Section 502 Direct Loan. The Grantee must submit to HUD, a written request for an exception to the ownership requirement prior to the investment of any SHOP grant funds for land acquisition and/or infrastructure improvements.

(iv) On or after the date of this NOFO, you and your affiliate may expend non-grant funds subject to any requirements that govern the use of such other funds to acquire land, including land acquired before completion of the environmental review process. You may use 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. Any advances to acquire land prior to successful completion of the required environmental review process are made at the risk of the Grantee and its affiliates, and reimbursement from SHOP grant funds for such advances will depend on the result of the environmental review. These pre-agreement costs must be identified in your SHOP application. Refer to this SHOP NOFO Section IV.F. “Funding Restrictions.”

(b) 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. Eligible infrastructure improvement activities include the cost of utility and hook-up fees. Eligible infrastructure improvement activities exclude financing and closing costs.

(i) You or your affiliate must own the land on which infrastructure improvements are undertaken through completion of the SHOP unit. HUD may grant an exception to the ownership requirement for units also assisted through the USDA's Mutual Self-Help Housing Technical Assistance grants when the potential homebuyer is receiving a USDA Section 502 Direct Loan. The Grantee must submit to HUD a written request for an exception to the ownership requirement prior to the investment of any SHOP grant funds for land acquisition and/or infrastructure improvements.

(ii) You or your affiliate must not incur infrastructure improvement costs before the required environmental review process has been successfully completed.

(c) Planning and Administration. The reasonable and necessary cost of the planning and administration of your SHOP grant program and activities, including the reasonable and necessary planning and administration costs of your affiliates, is an eligible activity. Eligible costs include staff and overhead costs of implementing your SHOP grant program and activities; providing information to the public about your SHOP grant program and activities which also include costs of providing civil rights and fair housing training to your local affiliates; and any expenses involved in affirmatively furthering fair housing. In addition, eligible costs include expenses to inform the public about your SHOP grant program and activities in a manner consistent with civil rights obligations as described below.

In accordance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and HUD's implementing regulations at 24 CFR Part 8, and Title II of the Americans with Disabilities Act (42 U.S.C. §§ 12131-12134) and the implementing regulation at 28 CFR Part 35, the programs services, and activities funded through this NOFO must be accessible to and usable by persons with disabilities. All training sessions and meetings must be held in facilities that are physically accessible to persons with disabilities. Where physical accessibility is not achievable, recipients and subrecipients must give priority to alternative methods of involvement and product delivery that are accessible to and usable by individuals with disabilities and offer programs, services, and activities to individuals with disabilities in the most integrated setting appropriate. Recipients and subrecipients must also provide effective communication for individuals with disabilities. Auxiliary aids or services and reasonable accommodations must be provided to ensure equal participation by individuals with disabilities.

Recipients and subrecipients must take reasonable steps to ensure meaningful access for persons with limited English proficiency (LEP) pursuant to Title VI of the Civil Rights Act of 1964 and Executive Order 13166. For assistance in ensuring meaningful access for individuals with limited English proficiency, recipients and subrecipients should consult HUD's Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (HUD's LEP Guidance) published in the Federal Register on January 22, 2007 (72 Fed. Reg. 2732).

Applicants are required to allocate Planning and Administration costs (maximum of 20%) between the following categories: (1) Planning and Administration expenses of the applicant; and (2) Planning and Administration expenses of the affiliate(s).

The indirect costs (such as rent and utilities) of you and your affiliates in carrying out your SHOP grant program and activities are also eligible. You must charge indirect costs in

accordance with 2 CFR part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.”

You cannot use SHOP grant funds for planning and administration expenses that are not related to your SHOP grant program and activities. Eligible planning and administration costs cannot exceed 20 percent of your SHOP grant.

(9) Eligible forms of Homeownership. “Homeownership” and “own” mean fee simple title or a 99-year renewable lease, or an equivalent form of ownership approved by HUD. In Guam, the Northern Mariana Islands, the United States Virgin Islands, and American Samoa, the definition includes renewable leases of 40 years or more. For Indian Trust or restricted lands, the definition includes renewable leases of 50 years or more. Ownership may be subject to mortgages, deeds of trust, or other liens or instruments securing the debt on the property as allowable under State law.

(10) Property Standards. The SHOP 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 ensure that all SHOP units developed by you and your affiliates are inspected and comply with all SHOP standards, including but not limited to the following:

(a) State and Local Building Codes and Standards. You must ensure that you and your affiliates inspect for and comply with all applicable state and local codes, ordinances, and zoning requirements.

(b) Energy Efficiency. You are strongly encouraged, but not required, to meet the standard for ENERGY STAR Certified New Homes (single-family homes and low-rise multifamily properties up to three stories) or ENERGY STAR Multifamily High Rise (four or more stories). Incorporating energy-efficiency measures in the design, construction, and/or rehabilitation of self-help units reduces the energy cost burden on low-income homebuyers and improve the sustainability and longevity of the units. All applicants are strongly encouraged, but not required, to use ENERGY STAR-labeled appliances and products (when such ENERGY STAR appliances and products exist). You are strongly encouraged, but not required, to provide appropriate guidance to all SHOP homebuyers on the proper use and maintenance of the energy-saving appliances and products installed in their units. Information about ENERGY STAR can be found at <https://www.energystar.gov/>.

(c) Water Conservation. You must incorporate specific water conservation measures in the construction and/or rehabilitation of the SHOP units developed by you and your affiliates. All water-usage products installed or replaced in SHOP units including toilets, showers, and faucets must bear the “WaterSense” label when such WaterSense products exist. You must provide guidance to all SHOP homebuyers on the proper use and maintenance of the water conservation products installed in their units. WaterSense is a water conservation program sponsored by the U.S. Environmental Protection Agency (EPA). Information about WaterSense products can be found at <https://www.epa.gov/watersense>.

(d) Accessibility for Qualified Individuals with Disabilities. You and your affiliates must comply with Section 504 of the Rehabilitation Act of 1973 and HUD’s implementing regulations at 24 CFR part 8 concerning accessibility for qualified individuals with disabilities. Your SHOP units must be newly constructed or rehabilitated and meet the requirements of the Uniform Federal Accessibility Standards (UFAS) to be accessible upon request of the homebuyer in accordance with 24 CFR 8.29. You and your affiliates must also comply with accessibility requirements under the Fair Housing Act, Title II of the Americans with Disabilities Act (ADA), and State and local accessibility standards and other requirements, as applicable.

(11) Homebuyer Income Eligibility. The SHOP statute requires that funds benefit “low-income families and individuals who otherwise would be unable to afford to purchase a dwelling.” Eligible homebuyer households are low-income individuals and families whose annual incomes do not exceed 80 percent of the median income for the area, as established by HUD with adjustments for household size. You must use income limits for the HOME Investment Partnerships Program, which are updated annually and available at: <https://www.huduser.gov/portal/datasets/HOME-Income-limits.html>. When an individual or family participating in the SHOP program uses financing provided by the United States Department of Agriculture’s 502 Homeownership Direct Loan Program, a grantee may use the low-income limits developed for that program to determine that individual or family’s eligibility. You must use one of the following definitions of “annual income” to determine whether a homebuyer is income-eligible. You must have procedures to clearly document that assisted homebuyers are income-eligible.

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

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

(c) 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.

(12) Housing Counseling. If SHOP grantees or affiliates require housing counseling or refer eligible homebuyers to housing counseling, the housing counseling may be subject to HUD’s Housing Counseling rule. Pursuant to 24 CFR 5.111, beginning August 1, 2021, any Housing Counseling required under or provided in connection with any program administered by HUD shall be provided only by organizations and counselors certified by the Secretary under 24 CFR part 214 to provide housing counseling.

(13) Sweat Equity. The SHOP 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”.

(a) Minimum Sweat Equity Contribution. You must require each SHOP homebuyer, including those with disabilities, 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. If the homebuyer is one individual, the homebuyer must contribute a minimum of 50 hours of sweat equity. If the homebuyer is more than one individual, the homebuyer must contribute a minimum of 100 hours of sweat equity. Sweat equity includes home construction training, but excludes homebuyer counseling and home maintenance training.

You may not make exceptions to these requirements, except that HUD may approve a request to allow volunteers to provide the required sweat equity for a homebuyer who becomes unable to complete his/her sweat equity requirement due to military deployment.

However, you must make reasonable accommodations for persons with disabilities, whenever necessary, to afford an individual with a disability with an equal opportunity to use and enjoy a dwelling. A reasonable accommodation is a change, exception, or adjustment to a rule, policy, practice or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling. This may require modifying the hourly sweat equity requirements or waiving the hourly sweat equity requirements, when necessary for a person with a disability.

For example, homebuyers with disabilities may work on less physical tasks or administrative tasks, receive an exemption from the sweat equity requirement, or use volunteers to provide the required sweat equity. If a homebuyer with disabilities uses volunteers, the homebuyer with disabilities 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. You may not make exceptions to these requirements, except that HUD will approve a request to allow volunteers to provide the required sweat equity for a homebuyer who becomes unable to complete his/her sweat equity requirement due to his or her active duty military service consistent with obligations under the Servicemembers' Civil Relief Act (SCRA).

(b) Value of Sweat Equity Contribution. You must establish a fair and reasonable method for valuing a homebuyer's sweat equity contribution that provides, at a minimum, an average hourly rate or equivalent value of \$1,000 per 100 hours of sweat equity for multi-person households, or \$500 per 50 hours of sweat equity for individual member households. The full value of the homebuyer's sweat equity contribution must count as an equity contribution towards the purchase of the homebuyer's SHOP unit through either a reduction in the unit's sale price, or as a credit towards the unit's contract sale price. The homebuyer's sweat equity contribution cannot be mortgaged or otherwise restricted upon the future sale of the homebuyer's SHOP unit. Refer to SHOP NOFO Section III.E.(18) "Mortgages and Other Loans" for additional guidance.

(14) Homebuyer Financial Contribution. The SHOP statute requires that dwellings developed in connection with SHOP assistance be provided to "families and persons who otherwise would be unable to afford to purchase a dwelling." You and your affiliates cannot require the homebuyer to make any upfront financial contribution towards the purchase of the homebuyer's SHOP unit, other than cash contributed for a down payment, and reasonable and customary closing costs.

(15) Sale Price. The SHOP 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 NOFO Section III.F.(18) "Mortgages and Other Loans" for additional guidance.

(16) Mortgages and Other Loans. The homebuyer's sweat equity contribution cannot be mortgaged or otherwise restricted upon the future sale of the SHOP unit. To make the cost of homeownership 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 similar to information required on the HUD-1 "Settlement Charges."

https://www.hud.gov/program_offices/administration/hudclips/forms/hud1

The following examples demonstrate compliance with the SHOP restrictions on mortgages:

(a) Sale Price Reduction. The SHOP unit sale price is reduced by the value of the homebuyer's sweat equity contribution. 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.

(b) Homebuyer Credit. The value of the homebuyer's sweat equity contribution 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 credit for the homebuyer's sweat equity contribution.

(17) Volunteer Labor. The SHOP 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." This means 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 performed by community members, other volunteers, or household members who are not homebuyers.

(18) Leveraged Resources. The SHOP statute requires that SHOP grantees use their SHOP grant amounts in a manner that "leverages 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 proposed and cover any other program costs that are covered by SHOP grant funds. HUD will verify the leveraged resources in its monitoring/report evaluation process.

(19) Earnings. Earnings are SHOP Grant funds. "Earnings" means any interest, fees, loan repayments or other income directly generated by the use of SHOP Grant funds that are received by the 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. You must use all Earnings received as of the end date of the period of performance for SHOP eligible activities, in accordance with your SHOP Grant Agreement. You must report to HUD on the use of these Earnings in accordance with the reporting requirements of the SHOP Grant Agreement. Any Earnings that are received by you after the end date of the period of performance are not

subjected to the SHOP requirements. These Earnings must be used for affordable housing activities. You may define affordable housing activities.

Advancing Racial Equity

In accordance with Executive Order [13985](#), *Executive Order On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*, and federal fair housing and civil rights laws, you must submit a narrative demonstrating the following:

- You analyzed the racial composition of the persons or households who are expected to benefit from your proposed grant activities;
- You identified any potential barriers to persons or communities of color equitably benefiting from your proposed grant activities;
- You detailed the steps you will take to prevent, reduce or eliminate these barriers; and
- You have measures in place to track your progress and evaluate the effectiveness of your efforts to advance racial equity in your grant activities.

Note that any actions taken in furtherance of this section must be consistent with federal nondiscrimination requirements.

This narrative is required and must address the four bullets outlined in the paragraph above. Applicants will submit this narrative according to the instructions in Section IV.B. This narrative will be evaluated for sufficiency and will not change the applicant's score or rank.

Affirmative Marketing

You must submit a narrative demonstrating that the housing, services, or other benefits provided under this grant will be affirmatively marketed broadly throughout the local area and nearby areas to any demographic groups that would be unlikely or least likely to apply absent such efforts. Such demographic groups may include, for example, Black and Brown persons or communities, individuals with limited English proficiency, individuals with disabilities, or families with children. Such activities may include outreach through community contacts or service providers or at community centers serving the target population; and marketing on websites, social media channels, television, radio, and print media serving local members of the targeted group. Documentation for this factor consists of a narrative describing the activities that will fulfill the factor requirements.

This narrative is required and must address the issues outlined in the paragraph above. Applicants will submit this narrative according to the instructions in Section IV.B. This narrative will be evaluated for sufficiency and will not change the applicant's score or rank.

G. Criteria for Beneficiaries.

Eligible SHOP homebuyer households are low-income individuals and families whose annual incomes do not exceed 80 percent of the median income for the area, as established by HUD with adjustments for household size. Grantees must use income limits for the HOME Investment Partnerships Program, which are updated annually and available at: <https://www.huduser.gov/portal/datasets/HOME-Income-limits.html>

IV. APPLICATION AND SUBMISSION INFORMATION

A. Obtain an Application Package

Instructions for Applicants

All application materials, including the Application Instructions and Application Package, are available through Grants.gov. You must access and review all available application materials. You must submit your application electronically via Grants.gov under the Funding Opportunity Number cited within this NOFO. Your application must list the applicable Funding Opportunity Number.

You can request a waiver from the requirement for electronic submission, if you demonstrate good cause. An example of good cause may include: a lack of available Internet access in the geographic area in which your business offices are located. However, lack of SAM registration or valid UEI is not a good cause. If you cannot submit your application electronically, you must ask in writing for a waiver of the electronic grant submission requirements. HUD will not grant a waiver if you fail to submit to HUD in writing or via email a request for a waiver at least 15 calendar days before the application deadline. If HUD grants a waiver, a paper application must be received before the deadline for this NOFO. To request a waiver, you must contact:

Name:

Jackie L. Williams

Email:

RHED@hud.gov

HUD Organization:

Director

Street:

451 Seventh Street S.W.

City:

Washington

State:

DC DISTRICT OF COLUMBIA

Zip:

20410

1. For information concerning the Self-Help Homeownership Opportunity Program, contact Lisa Peoples, Senior Community Planning and Development Specialist, Office of Rural Housing and Economic Development, Office of Community Planning and Development, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7132, Washington, DC 20410-7000; telephone 1-877-787-2526 (this is a toll-free number) or (202) 708-2290 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit

<https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

2. Facsimiles and Videos. HUD will not accept an entire application sent by facsimile (fax). Videos cannot be submitted via the Grants.gov system and will not be accepted as a separate submission. Any video submitted as part of an application will not be viewed.

B. Content and Form of Application Submission

You must verify that boxes 11, 12, and 13 on the SF-424 match the NOFO for which you are applying. If they do not match, you have downloaded the wrong Application Instruction and Application Package.

Submission of an application that is otherwise sufficient, under the wrong Assistance Listing and Funding Opportunity Number is a Non-Curable Deficiency, unless otherwise stated under the Threshold requirements section.

1. Content

Forms/Assurances/Certifications	Submission Requirement	Notes/Description
Application for Federal Assistance (SF-424)	Review section IV.G. of this NOFO for detailed submission requirements.	
Applicant and Recipient Assurances and Certifications (HUD 424-B)	Review section IV.G. of this NOFO for detailed submission requirements.	
Applicant/Recipient Disclosure/Update Report (HUD 2880)	Review section IV.G. of this NOFO for detailed submission requirements	
Disclosure of Lobbying Activities (SF-LLL)	Review section IV.G. of this NOFO for detailed submission requirements.	Federally recognized Indian tribes and tribally designated housing entities (TDHEs) established by federally recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage of the Byrd Amendment, but state-recognized Indian tribes and TDHEs established only under state law shall comply with this requirement.

Forms/Assurances/Certifications	Submission Requirement	Notes/Description
Certification Regarding Lobbying (Lobbying Form)	Review section IV.G. of this NOFO for detailed submission requirements.	
Standard Form 424A (SF-424A):	Applicants must provide a complete and detailed budget for the total performance period of the expected award through the submission of the SF-424A. The data submitted on the SF-424A form will inform the expected financial assistance award for this NOFO.	For the budget recorded on form SF-424A, provide a breakdown of the aggregate numbers detailing their allocation to each activity. The budget must also include a yearly breakdown of costs for each activity. In addition to the SF-424A form instructions available on grants.gov, applicants should use Appendix I. HUD’s Guidance for Preparing a Budget Request in this NOFO, to complete the SF-424A.
HUD 424 CB Grant Application Detailed Budget		
HUD 424 CBW Grant Application Detailed Budget Worksheet		

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 (See Section V.A.1. Application Information Criteria of this NOFO).

(a) Application Content. The application consists of six sections:

- (1) Standard Forms;
- (2) Applicant Eligibility;
- (3) SHOP Program Design and Scope of Work;

- (4) Rating Factors;
- (5) Appendices; and
- (6) Forms, Certifications, and Assurances.

Page limits are imposed on both the Program Design and Scope of Work (Section IV.B.1.b), and the Rating Factor (Section V.A) sections of this NOFO. Required documents submitted in appendices do not count toward your application page limits. HUD will not consider any supplemental information that is not required by this NOFO, or information that exceeds the page limits established by this NOFO.

Refer to SHOP NOFO Section VIII. "Other Information" for an Application Checklist that identifies the elements required for a complete application submission.

(b) Consortium Application. If you are applying as a consortium, you must submit an integrated application that demonstrates that you are undertaking a single SHOP program. Your lead entity must file your application on behalf of all consortium members. All consortium members must be identified in your application. All consortium members must receive SHOP grant funds. You must propose to use a significant amount of SHOP grant funds in each state represented by your consortium members. Individual program designs for separate consortium members or their affiliates will not be considered by HUD in scoring your application.

2. Format and Form

Narratives and other attachments to your application must follow the following format guidelines. Do not submit password protected or encrypted files.

37 Pages maximum length of narratives

Double spaced 12-point (minimum) Times Roman font on letter sized paper (8 1/2 x 11 inches) with at least 1-inch margins on all sides

8You must meet all the requirements for application submission and receipt that are described in this NOFO. All of the information needed to apply for a SHOP grant is contained in this NOFO and the application and instructions download found at [Grants.gov](https://www.grants.gov). If there is a discrepancy between the information posted on [Grants.gov](https://www.grants.gov) and any material published by HUD on its website or other information provided in paper copy, the information posted on [Grants.gov](https://www.grants.gov) prevails.

(a) Applicant Eligibility (no page limit).

You must submit the following information to document that your organization or consortium qualifies as an eligible SHOP applicant.

(1) Experienced National or Regional Self-Help Housing Non-profit

(a) Non-profit Status. A narrative statement that clearly demonstrates how your organization or consortium qualifies as a national or regional public or private non-profit self-help homeownership housing organization as defined in this NOFO. If you are not a current SHOP grantee you must submit evidence that you qualify as an eligible public or private non-profit organization under Federal, state or tribal 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 also submit evidence of the non-profit status of each consortium member that does not currently receive SHOP grant funds. This evidence must be provided in an appendix.

(b) **Service Area.** A narrative statement that demonstrates that you have completed self-help homeownership housing units in a national or regional area consisting of at least two states. The narrative statement must identify the county, parish, state or region of the country where your completed self-help homeownership housing units are located.

(c) **Self-Help Homeownership Housing Experience.** A narrative statement that clearly demonstrates that your organization or consortium has completed at least 30 self-help homeownership housing units, in a national or regional area consisting of at least 2 states, within the past 24 months. The developed units must have included a significant contribution of homebuyer sweat equity and volunteer labor. The narrative statement must include the following:

- (i) The dates for your 24-month reporting period should be the two years preceding the submission deadline of your SHOP application,
- (ii) The specific number of units completed,
- (iii) The average number of sweat equity hours contributed by each homebuyer, and
- (iv) The average number of volunteer labor hours contributed to each unit.

(2) **Consortium Members and Agreement (if applicable).** If you are a consortium, you must submit, in an appendix, a list of all consortium members. The list must include the following:

- (a) Each member's full name
- (b) Mailing address,
- (c) Service area (i.e., city, county or parish and state)
- (d) Share of proposed SHOP grant funds, and

(e) Number of SHOP units each member anticipates constructing should you receive SHOP grant funds.

You must submit, in an appendix, a copy of your Consortium Agreement executed and dated in accordance with the guidance provided in this NOFO.

(3) **Code of Conduct.** You must describe how you will ensure that all officers, employees, and agents of your organization are aware of your organization's Code of Conduct. You must submit a copy, in an appendix, of your written Code of Conduct that complies with the requirements set forth in this NOFO.

b. Narrative Requirements. You must submit the following information to document that your organization or consortium qualifies as an eligible SHOP applicant:

(1) **SHOP Program Design and Scope of Work (25 page limit).** You must submit a summary

and narrative description of your Program Design and Scope of Work. If you are awarded a SHOP grant, your approved Program Design and Scope of Work will be incorporated by reference into your SHOP Grant Agreement. Your Program Design and Scope of Work is limited to 25 pages, not including your summary and appendices. HUD may ask you to amend certain sections that do not affect your compliance with the NOFO threshold requirements or your application's rating score and ranking. Refer to SHOP NOFO Section III.F. for a description of the threshold requirements.

Your SHOP Program Design and Scope of Work must address the following:

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) Name of SHOP grantee
- (b) Consortium: Yes _____ No _____
- (c) Name of lead consortium entity (if applicable): _____
- (d) A list of consortium members (if applicable): _____
- (e) Amount of SHOP grant request: \$ _____
- (f) Total budget: \$ _____
- (g) Leveraged resources: \$ _____; _____%
- (h) SHOP grant funds for land acquisition: \$ _____; _____%
- (i) SHOP grant funds for infrastructure improvements: \$ _____; _____%
- (j) SHOP grant funds percentage for planning and administration: (1) planning and administration expenses of the applicant % _____; and (2) planning and administration expenses of the affiliate(s) % _____
- (k) Indirect cost rate:
Administering Grant/Consortium Member Indirect Cost Rate _____%
Direct Cost Base _____%
- (l) Pre-agreement costs: Yes _____ No _____; if Yes, list type and SHOP grant fund amount
- (m) Affiliates: Yes _____ No _____; if Yes, Number _____ Actual _____ Anticipated _____
- (n) Service area: National _____ Regional (specify, including states): _____
- (o) Total number of SHOP units: _____
- (p) Proposed form(s) of ownership:
____ Fee-simple
____ 99-year Lease
____ Other, Define: _____
- (q) Number of newly constructed units: _____ or _____%
- (r) Number of gut rehabilitated units: _____ or _____%
- (s) Number of other rehabilitated units: _____ or _____%
- (t) Number of UFSA accessible units: _____; _____%
- (u) Number of visitable units: _____; _____%
- (v) Number of Universal Design units: _____; _____%
- (w) Number of Energy efficient units: _____; _____%
- (x) Definition of annual income: _____ (list all definitions)
- (y) Minimum sweat equity hours, one individual: _____ hours
- (z) Minimum sweat equity hours, more than one individual: _____ hours

- (aa) Average volunteer labor hours per SHOP unit: ____hours
- (bb) Maximum monthly housing payment: ____% of income
- (cc) Pre-purchase counseling: ____% of homebuyers
- (dd) Availability of post-purchase counseling: ____% of homebuyers in need of counseling
- (ee) Conveyance dates of all SHOP units: ____
- (ff) Other (optional; specify): ____

(2) SHOP Budget. You must submit a completed form HUD-424-CB “Grant Application Detailed Budget” and form HUD-424-CBW “Grant Application Detailed Budget Worksheet.” 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.

(a) HUD-424-CB. You must submit a detailed SHOP budget on the form 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.”

(b) HUD-424-CBW. You must submit a HUD-424-CBW

"Grant Application Detailed Budget Worksheet" that supports your HUD-424-CB “All Years” budget total. Your budget estimates must include the following:

i. Budget Line Items. You must include a budget line item under the appropriate budget category for:

(1) Each proposed activity funded by both your SHOP funds and leveraged funds (i.e. land acquisition, infrastructure improvements, construction, rehabilitation, and planning and administration).

(2) Monitoring of your SHOP activities (including monitoring of your consortium members and affiliates).

(3) Compliance costs associated with ENERGY STAR (as applicable), water conservation, lead safety and accessibility.

(4) If your budget includes the value of donations (land, materials and professional services), and/or volunteer labor contributions, you must include a separate budget column for the value of each type of contribution.

(5) If the value of the homebuyer sweat equity contribution is included in your total budget, you must include a separate budget column for this value. (Note: Each 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).

ii. Leveraged Funds. You must include a separate column or columns for leveraged funds. On the summary "Analysis of Total Estimated Costs," you must enter the total of all Leveraged funds on the "Match" line.

The thoroughness and consistency of your SHOP budget will be evaluated under Rating Factor 3.

(3) SHOP Grant Schedule. You must submit a SHOP Grant Schedule that includes quarterly production and performance benchmarks for:

- (a) If applicable, the selection of your SHOP affiliates,
- (b) Expenditure of your proposed SHOP grant funds by the end of the period of performance,
- (c) Completion of land acquisition,
- (d) Completion of infrastructure improvements,
- (e) Construction or rehabilitation of your SHOP units no later than 36 months after the end of the period of performance, and
- (f) Conveyance of your SHOP units to eligible homebuyers no later than 36 months after the end of the period of performance.

Refer to SHOP NOFO Section VI.A.4 “Performance and Compliance.”

Your SHOP Grant Schedule will be rated under Rating Factor 3 of this NOFO. If funded, HUD will incorporate your SHOP Grant Schedule, including any amendments, into your SHOP Grant Agreement.

(4) Service Area. You must describe your national or regional service area and how you will ensure that you will use a significant amount of SHOP grant funds in at least two states.

(a) If you have selected your target areas or sites, you must identify the county or parish, state or region of the country you will serve.

(b) If you have not selected your target areas or sites, you must describe your selection criteria.

(5) Property Standards. You must describe how your completed SHOP units will be inspected to ensure good condition and comply with the following:

(a) All applicable state and local building codes and standards.

(b) Energy efficiency requirements, including how you will ensure that all SHOP homebuyers are provided guidance on the proper use and maintenance of the energy-saving features, appliances and products that have been installed in their units if applicable.

(c) Water conservation requirements, including providing all SHOP homebuyers with guidance on the proper use and maintenance of the water conservation products that have been installed in their units.

(d) 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 and your affiliates must also comply with accessibility requirements under the Americans with Disabilities Act (ADA) and Fair Housing Act’s design and construction requirements, when applicable.

(e) Any other property standards that will apply to your SHOP units.

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

(6) Homebuyer Income Eligibility. You must state the definition(s) of the annual income you will use in your program. Refer to SHOP NOFO Section III.F.(6) “Homebuyer Income Eligibility” for additional guidance.

(7) Housing Counseling. If SHOP grantees or affiliates require housing counseling or refer

eligible homebuyers to housing counseling, the housing counseling may be subject to HUD's Housing Counseling rule at 24 CFR part 214. Pursuant to 24CFR 5.111, beginning August 1, 2021, any housing counseling required under or provided in connection with any program administered by HUD shall be provided only by organizations and counselors certified by the Secretary under 24 CFR part 214 to provide housing counseling."

(8) Sweat Equity. You must describe your program's requirements for sweat equity contributions from your homebuyers including:

- (a) The types of tasks required,
- (b) The minimum number of sweat equity hours required from each homebuyer,
- (c) The construction training and supervision you will provide to each homebuyer to ensure that the homebuyer is able to complete the assigned tasks in accordance with your standards, including property standards.
- (d) The fair and reasonable method or methods for valuing each homebuyer's sweat equity contribution that provides, at a minimum, an hourly rate or equivalent value of \$1,000 per 100 hours of sweat equity if the homebuyer is more than one individual, and \$500 per 50 hours of sweat equity if the homebuyer is an individual. Each method must take into consideration the type of sweat equity performed and the number of sweat equity hours contributed. If you will use more than one method, you must describe when each method will apply.
- (e) How each homebuyer will be informed about the sweat equity requirements and how his/her sweat equity contribution will be valued.
- (f) 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 requirements.

Your program's sweat equity requirements, specifically your method(s) for valuing the homebuyer's sweat equity contribution, will be evaluated under Rating Factor 3 of this NOFO. Refer to SHOP NOFO Section III.F.(15). "Sweat Equity" for additional guidance. During the rating and award process, HUD will also consider the degree to which the homebuyer sweat equity contributes to a reduction in the sales price.

(9) Volunteer Labor. You must describe your program's approach for involving volunteer labor including:

- (a) The projected sources of volunteer labor contributions,
- (b) The types of tasks typically performed,
- (c) The training and supervision you will provide to each volunteer to ensure that the volunteer is able to complete the assigned tasks in accordance with your standards, including property standards.
- (d) An estimate of the average number of volunteer labor hours per SHOP unit.

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

(10) Homebuyer Financial Contribution. You must describe how you will ensure that SHOP homebuyers are not required to make any upfront financial contribution towards the purchase of their SHOP units, other than cash contributed for a down payment, and reasonable and customary closing costs. 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 requirements.

(11) Sale Price. You must describe how you will determine the sale price for your SHOP units and ensure that each SHOP unit is sold below the appraised value of the property.

Specifically, you must address how each of the following SHOP requirements will affect the sales price of your SHOP units:

(a) The value of donated land, material and professional services,

(b) The value of volunteer labor, and

(c) The full value of the homebuyer’s sweat equity contribution, either as a reduction of the homebuyer’s SHOP unit sale price or credit towards the purchase of the homebuyer’s SHOP unit. You must describe how you will ensure that the amount of any reasonable and customary closing costs is separately identified and not included in the sale price.

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

(12) Mortgages and Other Loans. You must describe 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 that is similar to the information required for the HUD-1 “Settlement Charges.”

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

(13) Advancing Racial Equity. You must submit a narrative demonstrating that the housing, services, or other benefits provided under this grant will be affirmatively marketed broadly throughout the local area and nearby areas to any demographic groups that would be unlikely or least likely to apply absent such efforts. Such demographic groups may include, for example, Black and Brown persons or communities, individuals with limited English proficiency, individuals with disabilities, or families with children. Such activities may include outreach through community contacts or service providers or at community centers serving the target population; and marketing on websites, social media channels, television, radio, and print media serving local members of the targeted group. Documentation for this factor consists of a narrative describing the activities that will fulfill the factor requirements. This narrative will be reviewed for sufficiency and will not change an applicant’s score or rank. (See Section III.F).

You must submit a narrative demonstrating the following:

- You analyzed the racial composition of the persons or households who are expected to benefit from your proposed grant activities;
- You identified any potential barriers to persons or communities of color equitably benefiting from your proposed grant activities;
- You detailed the steps you will take to prevent, reduce or eliminate these barriers; and

- You have measures in place to track your progress and evaluate the effectiveness of your efforts to advance racial equity in your grant activities.

Note that any actions taken in furtherance of this section must be consistent with federal nondiscrimination requirements.

(14) Affirmative Marketing. You and your affiliates must demonstrate that the housing, services, or other benefits provided under this NOFO will be affirmatively marketed broadly throughout the local area and nearby areas to any demographic groups that would be unlikely or least likely to apply absent such efforts. Such demographic groups may include, for example, Black and Brown persons or communities, individuals with limited English proficiency, individuals with disabilities, or families with children. Such activities may include outreach through community contacts or service providers or at community centers serving the target population; and marketing on websites, social media channels, television, radio, and print media serving local members of the targeted group.

You should describe:

- The methods and materials you will use to reach potential homebuyers in your proposed housing market area, including persons least likely to apply without special outreach.
- The alternative formats you will use to effectively reach persons with disabilities in accordance with the requirements of 24 CFR 8.6. All materials, notices, and communications used shall be provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities, consistent with Section 504 of the Rehabilitation Act of 1973 and HUD's Section 504 regulations. (see 24 CFR 8.6). You and your affiliates must also provide reasonable accommodations when they may be necessary for persons with disabilities. All methods that include public meetings must be held in facilities that are physically accessible to persons with disabilities. Where physical accessibility is not possible, you must give priority to alternative methods of delivery that offer qualified individuals with disabilities the most integrated setting appropriate in accordance with 24 CFR part 8.
- The reasonable steps you will take to ensure meaningful access to persons with limited English proficiency. 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.
- The steps you will take to encourage racial and ethnic diversity in the selection of your SHOP housing sites to advance equity. If you will use a competitive process to select sites and/or affiliates, you must describe how your competitive selection criteria will consider racial and ethnic diversity and how to ensure funding under this NOFO is used to promote integration and not perpetuate segregation in the siting of housing. If you will use affiliates, you must describe how you will ensure that your affiliates will comply with your requirements.

(15) Economic Opportunities for Low- and Very Low-Income Persons (Section 3). You must describe how you and your affiliates will provide employment and job training opportunities for local area residents and businesses including:

- Your methods for reaching out to local area residents and businesses,
- Whether you will provide employment and job training opportunities that meet or exceed the minimum Section 3 requirements (consistent with existing State and local laws and regulations), and

(c) Whether you will award new contracts for construction projects that meet or exceed the minimum Section 3 requirements. (For additional information, please see Section IV.B.2.b.(15).

Your plans to train and employ Section 3 workers and contract with Section 3 business concerns will be evaluated under Rating Factor 3 of this NOFO. If proposed activities in your application don't meet the Section 3 threshold requirements, you will not receive any points under this section of the NOFO.

(16) Audit. You must identify the date of your last audit and when the next audit is due. If your audit is overdue, you must explain why. You must describe any audit findings in the past five audits and the actions you took or are taking to resolve these findings. HUD will evaluate your justification for any delays in completing your audit, the severity of any audit findings, and the actions you are taking to resolve any findings in Rating Factor 1 of this NOFO.

(17) Affiliates (if applicable). You must state whether you propose to use affiliates to undertake your SHOP activities.

If you have already selected your affiliates, you must provide a list, in an appendix, of all participating affiliates including:

- (a) Affiliate's full name,
- (b) Service area (city, county or parish and state),
- (c) The proposed funding request, and
- (d) The number of SHOP units each affiliate anticipates constructing or rehabilitating should you receive FY2023 SHOP grant funds.
- (e) Whether the affiliate has previously participated in your SHOP or self-help homeownership housing program.
- (f) For consortia, you must also identify the consortium member to which each affiliate is linked.

If you will select your affiliates after submitting your application, you must survey your potential affiliates and in a narrative statement describe the specific criteria you will use to select your affiliates. In an appendix, you must provide a list of the affiliates surveyed including:

- (a) The full name of the affiliates surveyed,
- (b) Service area (city, county or parish and state),
- (c) Proposed funding need, and
- (d) The number of SHOP units each affiliate anticipates constructing or rehabilitating should you receive FY2023 SHOP grant funds.
- (e) Whether the affiliate has previously participated in your SHOP or self-help homeownership housing program

All applicants must, in a narrative statement, discuss whether the performance of the selected or surveyed affiliates has been timely and in compliance with your requirements. If you propose to fund an affiliate that has encountered performance or compliance issues, you must explain what has changed that makes you want to include this affiliate in your FY2023 SHOP program.

(18) Mutual Self-help Housing Programs (if applicable). You must describe 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.

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 a program administered by the U.S. Department of Agriculture's Rural Development agency under section 523 of the Housing Act of 1949 (see 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.

(19) Monitoring Plan. You must provide a detailed plan for monitoring the performance and compliance of your SHOP program, including your consortium members and affiliates as applicable, throughout the SHOP period of performance and through the completion and conveyance of the SHOP unit to the homebuyer. At a minimum, your monitoring plan must contain the elements listed in the SHOP Program Summary under Section IV.B.1.b.(1) above. In addition, your monitoring plan must describe:

(a) For **ongoing, distance monitoring, and oversight:**

- i. The types of reports and other documents and tools you will use to track and evaluate program performance and compliance,
- ii. The specific program performance and program compliance benchmarks you will monitor,
- iii. The frequency with which you will review your performance and compliance, including the performance and compliance of each consortium member and affiliate, and
- iv. The remedies or corrective actions you will take to address performance and compliance issues that arise.

(b) For **on-site monitoring:**

- i. The specific, risk-based performance and compliance indicators you will use to identify consortium members and affiliates most at risk of failing to meet performance benchmarks, or at risk of failing to comply with compliance requirements,
- ii. The number and type of records you will review during on-site monitoring (e.g., financial, beneficiary, eligibility, property standards and inspections, fair housing and affirmative marketing, Section 3 employment), and
- iii. The remedies or corrective actions you will take to address identified performance and compliance failures.

Your SHOP Monitoring Plan will be rated under Rating Factor 5 of this NOFO. If funded, HUD will incorporate your SHOP Monitoring Plan, including any amendments, into your SHOP Grant Agreement. HUD will require SHOP Grantees to submit an annual monitoring plan that details which consortium members and affiliates the Grantee will monitor on-site during the calendar year based on the results of the Grantee's risk-based monitoring criteria.

(20) Typical SHOP Unit Table. You must use the following table (or a similar table) to demonstrate your approach to valuing sweat equity; valuing donated land, materials and professional services; valuing volunteer labor contributions; establishing your SHOP unit sale price; and determining the mortgage and/or other loan amount for a typical SHOP unit. You must

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), you must specify the source and the estimated per-unit subsidy amount. You must 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 NOFO. This Table must be provided in an appendix.

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					
TOTAL SUBSIDY					
SALE PRICE					
APPRAISED VALUE					
Homebuyer Sweat Equity					
Other Homebuyer Equity (Specify)					
TOTAL HOMEBUYER EQUITY					
Reduced Homebuyer Sale Price; and/or					
Homebuyer Credit towards Sale Price					

Closing Costs (Specify)					
Other Homebuyer Costs (Specify)					
Mortgage					
Other Loans					
Other Restrictions (Specify)					
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.

c. Rating Factors (32 page limit or 37 page limit for a consortium).

You must address the five Rating Factors identified in SHOP NOFO Section V.A. "Review Criteria," in your Rating Factor narrative statements, and in the required appendices.

To receive preference points included in this NOFO, you must address Rating Factor V.A.2, "Other Factors" in your Rating Factor narrative statements.

d. Appendices (no page limit).

You must submit the appendices that are required by this NOFO. Refer to SHOP NOFA Section VIII. "Other Information" for a list of appendices.

e. Certifications and Assurances (no page limit). By electronically signing the SF-424 cover page, your Authorized Organization Representative (AOR) is certifying that the statements in your application are true, complete and accurate to the best of his/her knowledge and that you will comply with the requirements of this NOFO. If it is later determined that the signatory to the application submission knowingly made a false certification or assurance or did not have the authority to make a legally binding commitment for the applicant, you may be subject to criminal prosecution, and the Department may terminate your award or pursue other available remedies. The AOR is also certifying that should you receive a SHOP grant award, you will administer your award in compliance with this NOFO, and your SHOP grant agreement, and that you will implement your SHOP program in accordance with your approved application (including your budget, SHOP grant schedule, and monitoring schedule) as may be modified or amended and approved by HUD.

C. System for Award Management (SAM) and Unique Entity Identifier (UEI)

1. SAM Registration Requirement

You must register with <https://www.sam.gov/> before submitting their application. You must maintain current information in SAM on immediate and highest-level owner and subsidiaries, as

well as on all predecessors that have been awarded a federal contract or grant within the last three years, if applicable. Information in SAM must be current for all times during which you have an active Federal award or an application or plan under consideration by HUD.

2. UEI Requirement

As of April 4, 2022, entities doing business with the federal government must use the UEI created in SAM.gov. Also, you must provide a valid UEI, registered and active at www.sam.gov/ in the application. For more information, see: <https://www.gsa.gov/about-us/organization/federal-acquisition-service/office-of-systems-management/integrated-award-environment-iae/iae-systems-information-kit/unique-entity-identifier-update>.

3. Requirement to Register with Grants.gov

Anyone planning to submit applications on behalf of an organization must register at Grants.gov and be approved by the E-Biz POC in SAM to submit applications for the organization. Registration for SAM and Grants.gov is a multi-step process and can take four (4) weeks or longer to complete if data issues arise. Applicants without a valid registration cannot apply through Grants.gov. Complete registration instructions and guidance are provided on Grants.gov.

D. Application Submission Dates and Times

1. Application Due Date Explanation

The application deadline is 11:59:59 PM Eastern time on

12/04/2023

Submit your application to Grants.gov unless a waiver has been issued allowing you to submit a paper application. Instructions for submitting your paper application will be contained in the waiver of electronic submission.

“Received by Grants.gov” means the applicant received a confirmation of receipt and an application tracking number from Grants.gov. Grants.gov then assigns an application tracking number and date-and timestamp each application upon successful receipt by the Grants.gov system. A submission attempt not resulting in confirmation of receipt and an application tracking number is not considered received by Grants.gov.

Applications received by Grants.gov must be validated by Grants.gov to be received by HUD.

“Validated by Grants.gov” means the application has been accepted and was not rejected with errors. You can track the status of your application by logging into Grants.gov, selecting “Applicants” from the top navigation, and selecting “Track my application” from the dropdown list. If the application status is “rejected with errors,” you must correct the error(s) and resubmit the application before the 24-hour grace period ends. Applications in “rejected with errors” status after the 24-hour grace period expires will not be received by HUD. Visit Grants.gov for a complete description of processing steps after applying.

HUD strongly recommends you submit your applications at least **48 hours before the deadline** and during regular business hours to allow enough time to correct errors or overcome other problems.

2. Grants.gov Customer Support

Grants.gov provides customer support information on its website at <https://www.grants.gov/web/grants/support.html>. If you have difficulty accessing the application and instructions or have technical problems, contact Grants.gov customer support center by calling (800) 518-GRANTS (this is a toll-free number) or by sending an email to support@grants.gov. The customer support center is open 24 hours a day, seven days per week, except Federal holidays. Individuals who are deaf or hard of hearing, or who have speech and other communication disabilities may use a relay service to reach Grants.gov Customer Support. To learn more about how to make an accessible telephone call, visit the [webpage for Federal Communications Commission](#).

3. Grants.gov Application Submission

You can verify the contents of your submitted application to confirm Grants.gov received everything you intended to submit. To verify the contents of your submitted application:

- Log in to Grants.gov.
- Click the Check Application Status link, which appears under the Grant Applications heading in the Applicant Center page. This will take you to the Check Application Status page.
- Enter search criteria and a date range to narrow your search results.
- Click the Search button. To review your search results in Microsoft Excel, click the Export Data button.
- Review the Status column. To view more detailed submission information, click the Details link in the Actions column.
- To download the submitted application, click the Download link in the Actions column.

Take note of the Grants.gov tracking number, as it is needed by the Grants.gov customer support center should you seek their assistance.

HUD may extend the application deadline for any program if Grants.gov is offline or not available to applicants for at least 24 hours immediately prior to the deadline date, or the system is down for 24 hours or longer and impacts the ability of applicants to cure a submission deficiency within the grace period.

HUD may also extend the application deadline upon request if there is a presidentially declared disaster in the applicant's area.

If these events occur, HUD will post a notice on its website establishing the new, extended deadline for the affected applicants. HUD will also publish the extension on Grants.gov.

In determining whether to grant a request for an extension based on a presidentially declared disaster, HUD will consider the totality of the circumstances including the date of an applicant's extension request (how closely it followed the basis for the extension), whether other applicants in the geographic area are similarly affected by the disaster, and how quickly power or services are restored to enable the applicant to submit its application.

NOTE: Busy servers, slow processing, large file sizes, improper registration or password issues are not valid circumstances to extend the deadline dates or the grace period.

4. Amending or Resubmitting an Application

Before the submission deadline, you may amend a validated application through Grants.gov by resubmitting a revised application containing the new or changed material. The resubmitted application must be received and validated by Grants.gov by the applicable deadline.

If HUD receives an original and a revised application for a single proposal, HUD will evaluate only the last submission received by Grants.gov before the deadline.

5. Grace Period for Grants.gov Submissions

If your application is received by Grants.gov before the deadline, but is rejected with errors, you have a grace period of 24 hours after the application deadline to submit a corrected, received, and validated application through Grants.gov. The date and time stamp on the Grants.gov system determines the application receipt time. Any application submitted during the grace period but not received and validated by Grants.gov will not be considered for funding. There is no grace period for paper applications.

6. Late Applications

An application received after the NOFO deadline date that does not meet the Grace Period requirements will be marked late and will not be reviewed by HUD for funding

consideration. Improper or expired registration and password issues are not sufficient causes to allow HUD to accept applications after the deadline date.

7. Corrections to Deficient Applications

HUD will not consider information from applicants after the application deadline except for curable deficiencies.

HUD will uniformly notify applicants of each curable deficiency. See curable deficiency definition in section I.A of this NOFO. Examples of curable (correctable) deficiencies include inconsistencies in the funding request and failure to submit required certifications. These examples are non-exhaustive.

When HUD identifies a curable deficiency, HUD will notify the authorized organization representative identified on the SF-424 Application for Federal Assistance via email. This email is the official notification of a curable deficiency.

You must email corrections of Curable Deficiencies to applicationsupport@hud.gov within the time limits specified in the notification. The time allowed to correct deficiencies will be no less than 48 hours and no more than 14 calendar days from the date of the email notification. The start of the cure period will be the date stamp on the email sent from HUD. If the deficiency cure deadline date falls on a Saturday, Sunday, Federal holiday, or on a day when HUD's Headquarters are closed, then the applicant's correction must be received on the next business day HUD Headquarters offices in Washington, DC are open.

The subject line of the email sent to applicationsupport@hud.gov must state: Technical Cure and include the Grants.gov application tracking number or the GrantSolutions application number (e.g., Subject: Technical Cure - GRANT123456 or Technical Cure - XXXXXXXXXXXX). If this information is not included, HUD cannot match the response with the application under review and the application may be rejected due to the deficiency.

Corrections to a paper application must be sent in accordance with and to the address indicated in the notification of deficiency. HUD will treat a paper application submitted in accordance with a waiver of electronic application containing the wrong UEI as having a curable deficiency. Failure to correct the deficiency and meet the requirement to have a UEI and active registration in SAM will render the application ineligible for funding.

8. Authoritative Versions of HUD NOFOs

The version of this NOFO posted on Grants.gov includes the official documents HUD uses to solicit applications.

9. Exemptions

Parties that believe the requirements of the NOFO would impose a substantial burden on the exercise of their religion should seek an exemption under the [Religious Freedom Restoration Act \(RFRA\)](#).

E. Intergovernmental Review

This program is not subject to [Executive Order 12372, Intergovernmental Review of Federal Programs](#).

F. Funding Restrictions

1. Pre-agreement Costs. On or after the publication date of this NOFO, you may incur eligible pre-agreement costs for your SHOP activities. You may charge these costs to your SHOP grant after the effective date of your SHOP grant agreement.

Pre-agreement costs must be incurred for an eligible SHOP activity, be consistent with your approved SHOP application, and be in compliance with the requirements of this NOFO (real property and relocation and environmental review requirements).

You incur a pre-agreement cost on the date that you incur the actual activity cost such as when you execute a contract to purchase land or to undertake infrastructure improvements, or take other actions that require payment for an eligible activity.

You may authorize your affiliates to incur eligible pre-agreement costs, provided your authorization is in writing prior to the incurrence of these costs.

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.

2. Eligible Costs. You must only use SHOP grant funds for the cost of eligible activities identified in SHOP NOFO Section III.F.(3) "Eligible Activities."

3. Allowable costs. You must only use SHOP grant funds for costs that are allowable in compliance with the requirements of 2 CFR part 200.

4. Ineligible Costs. Ineligible costs include:

- a. Any costs incurred that are not eligible in accordance with the requirements of this NOFO.
- b. Pre-agreement costs that do not meet all of the SHOP requirements, including any pre-agreement cost that is:
 - (1) not identified in your SHOP application;
 - (2) incurred prior to the publication date of this NOFO; and/or
 - (3) incurred by your affiliate and not approved in writing by you prior to its incurrence.
- c. Land acquisition costs for land that is owned by the Grantee or the Grantee's affiliate before the date of the SHOP Grant Agreement (except when eligible as a pre-agreement cost).
- d. Land acquisition costs for land banking purposes (i.e. holding land for an indefinite period).
- e. Land acquisition costs for acquisition that does not comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended (URA) and URA implementing regulations at 49 CFR part 24.
- f. Refinancing costs for land that you or your affiliate acquired before the publication date of this NOFO.
- g. Infrastructure improvement costs that you or your affiliate incurred before the publication date of this NOFO or before the completion date of the required environmental review process and HUD approval of a Request for Release of Funds, where applicable.
- h. Financing and closing costs for loans that you or your affiliate used to finance infrastructure improvement costs.
- i. Land acquisition costs for land that is not owned by you or your affiliate except when HUD approves an exception for SHOP units also assisted through USDA Mutual Self-Help Housing Technical Assistance grants when the homebuyer is receiving a USDA Section 502 Direct Loan.
- j. Infrastructure improvement costs for land that is not owned by you or your affiliate except when HUD approves an exception for SHOP units also assisted through USDA Mutual Self-Help Housing Technical Assistance grants when the homebuyer is receiving a USDA Section 502 Direct Loan.
- k. Demolition costs (except that the removal of environmental hazards is an eligible infrastructure improvement cost).
- l. Development costs that are not land acquisition or infrastructure improvement costs, such as building permitting fees, property taxes during the construction period, performance bonds, and landscaping.
- m. Impact fees that do not constitute payment for land acquisition and infrastructure improvements and are not required by a governmental entity authorized to impose such a fee.
- n. Construction, rehabilitation, or improvement costs of any dwelling unit.
- o. Homebuyer pre-purchase counseling and post-purchase counseling costs.

5. Other Restrictions. The average SHOP expenditure for the combined cost of land acquisition and infrastructure improvements cannot exceed \$25,000 per SHOP unit.

Indirect Cost Rate

Applicants other than state and local governments. If you have a Federally negotiated indirect cost rate, your application must clearly state the approved rate and distribution base and must include a letter or other documentation from the cognizant agency showing the approved rate. If your organization does not have a current negotiated rate (including provisional rate) and elects to use the de minimis rate, your application must clearly state you intend to use the de minimis rate of 10% of Modified Total Direct Costs (MTDC), as defined at [2 CFR 200.1](#). Costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both, as described in [2 CFR 200.403](#). Once elected, the de minimis rate must be applied consistently for all Federal awards until the organization chooses to negotiate a rate, which the organization may apply to do at any time. Documentation of the decision to use the de minimis rate must be retained on file for audit.

G. Other Submission Requirements

1. Standard Application, Assurances, Certifications and Disclosures

Standard Form 424 (SF-424) Application for Federal Assistance

The SF-424 is the government-wide form required to apply for Federal assistance programs, discretionary Federal grants, and other forms of financial assistance programs. You must complete and submit the form with the other required forms and information as directed in this NOFO.

By signing the forms in the SF-424 either through electronic submission or in paper copy submission (for those granted a waiver), you and the signing authorized organization representative affirm that you both have reviewed the certifications and assurances associated with the application for Federal assistance and (1) are aware the submission of the SF-424 is an assertion that the relevant certifications and assurances are established and (2) acknowledge that the truthfulness of the certifications and assurances are material representations upon which HUD will rely when making an award to the applicant. If it is later determined the signing authorized organization representative to the application made a false certification or assurance, caused the submission of a false certification or assurance, or did not have the authority to make a legally binding commitment for the applicant, the applicant and the individual who signed the application may be subject to administrative, civil, or criminal action. Additionally, HUD may terminate the award to the applicant organization or pursue other available remedies. Each applicant is responsible for including the correct certifications and assurances with its application submission, including those applicable to all applicants, those applicable only to Federally recognized Indian tribes, or Alaskan native villages and those applicable to applicants other than Federally recognized Indian tribes, or Alaskan native villages.

Assurances (HUD 424-B)

By submitting your application, you provide assurances that, if selected to receive an award, you will comply with U.S. statutory and other requirements, including, but not limited to civil rights requirements. All recipients and subrecipients of the award are required to submit assurances of compliance with federal civil rights requirements. *See, e.g.,* Title VI of the Civil Rights Act of

1964, Title IX of the Education Amendments Act of 1972, Section 504 of the Rehabilitation Act of 1973, Violence Against Women Act, and the Age Discrimination Act of 1975; *see also* [24 C.F.R. §§ 1.5; 3.115; 8.50](#); and [146.25](#). HUD accepts these assurances in the form of the HUD 424-B, which also require compliance with HUD Reform Act requirements and all general federal nondiscrimination requirements in the administration of the federal assistance award.

Applicant Disclosure Report Form 2880 (HUD 2880)

The form HUD 2880 is required if you are applying for assistance within the jurisdiction of HUD to any project subject to Section 102(d) of the [HUD Reform Act](#). Assistance is provided directly by HUD to any person or entity, but not to subrecipients. It includes assistance for the acquisition, rehabilitation, operation, conversion, modernization, renovation, or demolition of any property containing five or more dwelling units that is to be used primarily for residential purposes. It includes assistance to independent group residences, board and care facilities, group homes and transitional housing but does not include primarily nonresidential facilities such as intermediate care facilities, nursing homes and hospitals. It also includes any change requested by a recipient in the amount of assistance previously provided, except changes resulting from annual adjustments in Section 8 rents under Section 8(c)(2)(A) of the United States Housing Act of 1937 ([42 U.S.C. 1437f](#)). [See HUD Reform Act regulation for additional information.](#)

Code of Conduct

Both you, as the award recipient, and all subrecipients must have a code of conduct (or written standards of conduct). The code of conduct must comply with the requirements included in the “Conducting Business in Accordance with Ethical Standards” section of the [Administrative, National and Department Policy Requirements and Terms for HUD Financial Assistance Awards](#), as well as any program-specific requirements. These requirements include ethical standards related to conflicts of interest for procurements in [2 CFR 200.318\(c\)](#) and [2 CFR 200.317](#), as well as HUD-specific conflict of interest standards. HUD maintains a list of organizations that have previously submitted written standards of conduct on its [Code of Conduct for HUD Grant Programs webpage](#). But it is your responsibility to ensure that the standards are compliant with the noted requirements and that HUD has the latest version of the written standards. Updated written standards should be submitted with the application. Any updates to your written standards, after the application period, should be submitted as directed by the HUD program contact for this NOFO.

Affirmatively Furthering Fair Housing

With some exceptions for Federally recognized Indian tribes and their instrumentalities, the application must discuss how the applicant will carry out the proposed activities in a manner that affirmatively furthers fair housing in compliance with the Fair Housing Act and its implementing regulations, and how applicants will meet the requirements of the definition of AFFH at 24 CFR 5.151. Applicants may propose activities that are consistent with their jurisdiction’s Analysis of Impediments (AI), an Assessment of Fair Housing (AFH), or other means of fair housing planning that meaningfully supports their AFFH certification.

If the applicant will carry out proposed activities in a jurisdiction with an AFH, the proposed activities should be consistent with the AFH’s fair housing goals and with fair housing strategies specified in the jurisdiction’s Consolidated Plan or Public Housing Agency Plan.

Applicants must describe how their proposed NOFO activities are aligned with affirmatively furthering fair housing requirements as defined at 24 CFR 5.151. Specifically, you will: A) submit a narrative according to the instructions in Section IV.B which describes how your proposed NOFO activities will meaningfully: 1) address significant disparities in housing needs for protected classes (2) address disparities in access to opportunity for protected classes (3) address segregation and promote integration (4) transform racially or ethnically concentrated areas of poverty into areas of opportunity, or (5) foster and maintain compliance with civil rights and fair housing laws.

2. Other Program-Specific Requirements

V. APPLICATION REVIEW INFORMATION
A. Review Criteria

1. Rating Factors

Preference Points

This NOFO supports the following policy initiatives. If your application demonstrates the appropriate information for the policy initiative, your application will receive up to two (2) points for each initiative and will receive no more than a total of four (4) points. These points are added to your application's overall score. Promise Zones (PZ) (2 points) Historically Black Colleges and Universities (HBCUs) (2 points). You may choose to voluntarily commit to address policy initiatives in your application. Addressing these policy initiatives is not a requirement to apply for or receive an award. If you choose to address a voluntary policy initiative in your application, however, you will be required to adhere to the information submitted with your application should you receive an award. The proposed information will be included as a binding requirement of any federal award you receive as a term and condition of that award.

You are limited to a total of 32 pages, unless you are a consortium. A consortium may have an additional 5 pages, for a total limit of 37 pages. All applicants are limited to 4 pages to address Rating Factor 2 “Need/Extent of Problem.”

Unless otherwise stated under the applicable Rating Factor, HUD will only review and rate the information that you submit in response to the five Rating Factors, and specific sections of your Program Design and Scope of Work, including the “SHOP Budget,” “SHOP Grant Schedule,” “Sweat Equity,” “Economic Opportunities for Low- and Very-Low Income Persons (Section 3),” “Audit,” “Monitoring Plan,” and the “Typical SHOP Unit Table” required by SHOP NOFO Section IV.B.1.b.

HUD will not review and rate any information that is not required by this NOFO or any information that is contained in pages that exceed the applicable page limits.

Scoring Summary		
Rating Factor 1	Capacity of the Applicant and Relevant Organizational Staff	
	Past Performance	10
	Program Management Capacity	5

	Financial Management Capacity	5
	subtotal	20
Rating Factor 2	Need/Extent of the Problem	
	Extent of Need for Affordable Homeownership Housing	2
	Extent of Need for SHOP Grant Funds	2
	subtotal	4
Rating Factor 3	Soundness of Approach	
	Project Feasibility	11
	Affordable and Sustainable Homeownership	2
	Sweat Equity Contribution and Valuation	11
	SHOP Grant Schedule	4
	SHOP Budget	3
	Training and Technical Assistance	3
	Section 3 Compliance	4
	Plan to Affirmatively Further Fair Housing	1
	Experience Promoting Racial Equity	1
	subtotal	40
Rating Factor 4	Leveraging Resources	
	Success in Obtaining Leveraged Resources	5
	Leveraged Resources Strategy	15
	subtotal	20
Rating Factor 5	Achieving Results and Program Evaluation	
	Ongoing, Distance Monitoring	8
	On-Site Monitoring	5
	Evaluation Plan	3
		16
	Total	100

NOFO Preference Points	*Choose up to two preference points for a total of four points maximum.	
	a. Promise Zones (2 points)	2
	b. Historically Black Colleges and Universities (2 points)	2
	c. Climate Change (2 points)	2
	d. Environmental Justice (2 points)	2
Subtotal		4 points max
Total Possible Points		104 max
Maximum Score		104

Rating Factor 1: Capacity of the Applicant and Relevant Organizational Staff

Maximum Points: 20

Organizational Staff	
<p>This Rating Factor evaluates your capacity to carry out your proposed SHOP activities in an effective and timely manner and in compliance with the requirements of this NOFO. HUD will examine your past performance, as well as your program and financial management capacity. Applicants must receive at least 15 points for this Rating Factor to be eligible for funding.</p> <p>Content Requirements for Rating Factor 1 (no page limit)</p> <p>a. Past Performance (up to 10 points).</p> <p>(1) Applicants that have been awarded SHOP grants during the previous five-year period. You must demonstrate timely and effective performance in carrying out each SHOP grant that you were awarded during the previous five-year period. In evaluating this factor HUD will examine your SHOP grant schedule and performance reports and other available data, including monitoring reports, program vouchers, audit reports, and SHOP grant Close Out reports. Indicators of poor performance, including grant deobligations and repayments, failure to meet the milestones identified in your SHOP grant schedule, slow unit completion and conveyance rates, and delays in drawing grant funds and closing old awards, will result in a lower score.</p>	

(a) Five-Year Period. You must identify the dates for your five-year period which should end as close as possible to the submission of your SHOP application.

(b) Grant Performance. For each SHOP grant awarded during the five-year period you must provide the following information. You may provide this information in a chart.

(i) Deobligated and Returned Funds. You must state whether HUD deobligated any SHOP grant funds for failure to expend the funds by the end of your SHOP period of performance, and whether you returned any funds because of monitoring findings or other program deficiencies. You must state whether any other funding entity deobligated any funds for failure to meet your drawdown and/or implementation schedules for the SHOP project. You must state whether you returned any funds to any other funding entity because of monitoring findings or other program deficiencies. You must also describe the circumstances that led to the deobligation or return of SHOP grant funds and the actions you took, or are taking, to ensure that future SHOP grant funds are used in a timely and compliant manner.

(ii) Units. You must specify the number of SHOP units started, completed and conveyed to eligible homebuyers during the SHOP period of performance.

- You must specify the number of units completed and conveyed within 24 months of the end of your period of performance. If units remain incomplete and not available to eligible homeowners within 24 months of the end of your SHOP period of performance, you must describe the circumstances that have prevented you from completing and conveying the units, and the actions you took or are taking to prevent further delays.
- You must provide the average annual income and family size of the homebuyers you serve.
- You must provide racial and ethnic demographics of the homebuyers you served.
- You must provide the average sweat equity value each homebuyer received at the time of purchase as well as the average number of volunteer labor hours per unit.

(iii) Target Dates. You must state whether you missed any performance benchmarks or other target dates for prior SHOP grants, and the reasons. You must describe the actions you took or are taking to address any delays.

(iv) Affiliates. If you used affiliates, you must identify any affiliates that failed to meet their benchmarks or other target dates. You must identify any affiliates that had compliance issues. You must describe the actions you took or are taking to address these performance and/or compliance issues.

(v) Consortium. If you are a consortium, you must identify any consortium members that failed to meet their benchmarks or other target dates. You must identify any consortium members that had compliance issues. You must describe the actions you took or are taking to address these performance and/or compliance issues.

(c) Completion of Old Grants. If you have any SHOP grants that were awarded before the five year period and have not achieved SHOP grant final close out, you must identify these SHOP

grants. For each open SHOP grant you must state the minimum number of units required, the number of units for which you have invested SHOP funds, the number of units that have been conveyed, and the number of units that are not conveyed. You must describe the actions you are taking to complete and convey the remaining units and your target date for SHOP grant final close out. You may provide this information in a chart format. Applicants who received SHOP awards previously and have expired periods of performance and incomplete units and/or units not conveyed after 36 months from the end of the period of performance will result in a lower score on their FY2023 SHOP application.

(d) Audit. Based on the narrative provided in your SHOP Program Design and Scope of Work, HUD will evaluate your justification for any delays in completing your audit, the severity of any audit findings, and the actions you are taking to resolve any audit findings in the past five audits. Unjustified delays in completing a required audit, the existence of major and/or unresolved audit findings may result in a lower score.

(2) Applicants that have not received SHOP grants during the previous five years. You must summarize your performance in carrying out your self-help homeownership housing activities during the previous five years. You must demonstrate that you and your affiliates completed, in a timely and effective manner, at least 30 self-help homeownership housing units within the past 24 months. Your narrative summary must be supported by the submission, in an appendix, of existing internal or external performance reports, monitoring reports, and audits or similar documents that demonstrate your performance and compliance. HUD will examine these documents when evaluating your past performance and may, where applicable, reach-out to the references you provide (see (a)(v) below) to verify the success of your program. Indicators of poor performance, such as deobligated or returned funds, slow unit completion and conveyance rates, and delays in drawing grant funds will result in a lower rating.

(a) Program Performance. For each self-help homeownership housing program undertaken during the past five-year period, you must provide the following information.

(i) Deobligated and Returned Funds. You must indicate whether over the past five years any funding entity deobligated any funds for failure to meet your expenditure and/or implementation schedule. You must also note whether you returned any funds to any funding entity because of monitoring findings or other program deficiencies.

(ii) Units. You must identify the number of self-help homeownership units completed and conveyed to eligible homebuyers during the five-year period. You must provide the average annual income and family size characteristics of the homebuyers you served. You must provide the racial and ethnic demographics of these homebuyers. You must provide the average sweat equity contribution and the value of the contribution each homebuyer received at the time of purchase. You must also provide the average number of volunteer labor hours per unit.

(iii) Target Dates. You must describe the benchmarks you used to track your performance from land acquisition through the completion and conveyance of the units to the homebuyer. You must note whether you failed to meet any of your benchmarks and explain why the benchmark(s) was not met. You must describe the actions you took or are taking to overcome

any delays and obstacles.

(iii) Affiliates. If you used affiliates, you must identify any affiliates that failed to meet their benchmarks or other target dates. You must identify any affiliates that had compliance issues. You must describe the actions you took or are taking to address these performance and/or compliance issues.

(iv) Consortium. If you are a consortium, you must identify any consortium members that failed to meet their benchmarks or other target dates. You must identify any consortium members that had compliance issues. You must describe the actions you took or are taking to address these performance and/or compliance issues.

(v) References. You must provide, in an appendix, references for the top three organizations that provided financial assistance to your self-help homeownership housing program over the past five years. HUD may contact each reference to verify your program performance.

b. Program Management Capacity (up to 5 points).

(1) Applicant Capacity. You must describe your organization's program management capacity including a description of:

(a) Your program management structure,

(b) The specific roles and responsibilities of each program management staff member,

(c) The specific skills and capacity of each program management staff member, their tenure with the organization, and their years of experience managing federal grants,

(d) Any program management staffing or skills gaps that exist within your program management structure, and

(e) How you plan to address any staffing or skills gaps that may exist.

(f) Describe your experience and resources to effectively meet the needs of underserved communities, including Black and Brown communities. This may include, but is not limited to, having or recruiting staff with lived experience or expertise to provide services in a culturally competent way; having experience working with grassroots organizations; or a history of, or commitment to, hiring, training, contracting, and providing other economic opportunities to low-income individuals, especially to individuals who receive housing assistance in furtherance of Section 3 requirements.

If you are a consortium, you must provide this information for both the lead entity and each consortium member. You must also describe your procedures for coordinating the program management activities of your consortium members.

(2) Affiliate Capacity. If you propose to use affiliates, you must identify the staff responsible for managing and overseeing the performance of your affiliates. You must describe the criteria

you will use to evaluate whether each affiliate has adequate program management procedures that comply with your program management standards. You must describe the criteria you will use to evaluate whether each affiliate has adequate program management staff capacity, and the steps you will require each affiliate to take should gaps in affiliate program management staff capacity arise. You must also describe your experience or resources to effectively meet the needs of underserved communities, particularly Black and Brown communities. This may include, but is not limited to having or recruiting staff with lived experience or expertise to provide services in a culturally competent way; having experience working with grassroots organizations; or a history of, or commitment to, hiring, training, contracting, and providing other economic opportunities to low-income individuals, especially to individuals who receive housing assistance in furtherance of Section 3 requirements.

Applicants that fail to present a sound SHOP financial management structure with experienced and knowledgeable staff, as well as clear roles and responsibilities for all aspects of SHOP financial management and oversight, will receive a lower score. Applicants that fail to present a plan for addressing any staffing or skills gaps that may exist within their organization or within an affiliate's organization will receive a lower score.

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.

Applicants that fail to present a sound SHOP program management structure with experienced and knowledgeable staff, as well as clear roles and responsibilities for all aspects of SHOP management and oversight, will receive a lower score. Applicants that fail to present a plan for addressing any staffing or skills gaps that may exist within their organization or within an affiliate's organization will receive a lower score.

c. Financial Management Capacity (up to 5 points).

(1) Applicant Capacity. Your financial management system must comply with the requirements of 2 CFR 200.302 and 200.303. You must describe your organization's financial management capacity including a description of:

- (a) Your financial management structure,
- (b) The specific roles and responsibilities of each financial management staff,
- (c) The specific skills and capacity of each financial management staff and their experience with federal grants,
- (d) Any financial management staffing or skills gaps that may exist within your financial management structure, and
- (e) How you plan to address any staffing or skills gaps that may exist.

If you are a consortium, you must provide this information for both the lead entity and each consortium member. You must also describe your procedures for coordinating the financial

management activities of your consortium members.

(2) Affiliate Capacity. If you propose to use affiliates, you must identify the staff responsible for managing and overseeing the financial compliance of your affiliates. You must describe the criteria you will use to evaluate whether each affiliate has adequate financial procedures and controls that comply with your financial management standards and the requirements of 2 CFR 200.302 and 200.303. You must describe the steps you will require each affiliate to take should gaps in affiliate financial management staff capacity arise.

Applicants that fail to present a sound SHOP financial management structure with experienced and knowledgeable staff, as well as clear roles and responsibilities for all aspects of SHOP financial management and oversight, will receive a lower score. Applicants that fail to present a plan for addressing any staffing or skills gaps that may exist within their organization or within an affiliate's organization will receive a lower score. You must also describe your experience or resources to effectively meet the needs of underserved communities, particularly Black and Brown communities. This may include, but is not limited to having or recruiting staff with lived experience or expertise to provide services in a culturally competent way; having experience working with grassroots organizations; or a history of, or commitment to, hiring, training, contracting, and providing other economic opportunities to low-income individuals, especially to individuals who receive housing assistance in furtherance of Section 3 requirements.

Rating Factor 2: Need/Extent of the Problem

Maximum Points: 4

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

Content Requirements for Rating Factor 2 (four-page limit)

a. Extent of Need for Affordable Homeownership Housing (up to 2 points).

(1) Demonstration of Need. You must demonstrate the need for affordable homeownership housing in your service area by providing recent and reliable statistical data on the lack of affordable homeownership opportunities for households with less than 80 percent of area median income (AMI). You must also identify the need for affordable housing for other income-qualifying under-served communities. Statistical data can include low homeownership rates; high foreclosure rates; housing cost burdens; and lack of standard housing including overcrowding, housing age, housing deterioration, inadequate housing infrastructure, inadequate utilities, or other severe physical problems. To the extent information is available, you must describe the need for physically accessible homes.

You must also identify the need to address any evidence of housing discrimination and any need for homeownership to reduce disparities between members of protected class groups shown in the most recent Analysis of Impediments to Fair Housing Choice (AI) or Assessment of Fair Housing (AFH), if applicable, for jurisdictions located within your service area.

(2) Data. National applicants must, at a minimum, use regional-level data to demonstrate the need for affordable homeownership housing. Regional applicants must, at a minimum, use state-level data to demonstrate the need for affordable homeownership housing. 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.

General, national-level data should not be used unless you also use regional-level or state-level data to supplement the national 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 NOFO, including data contained in State or local Consolidated Plans and Analysis of Impediments to Fair Housing Choice (AI) or Assessment of Fair Housing (AFH), if applicable for jurisdictions located within your service area. You must cite the sources for your data.

Failure to adequately justify the need for affordable housing in your proposed service area using recent, geographically-appropriate data may result in a lower score.

b. Extent of Need for SHOP Grant Funds (2 points). You must describe your need for the amount of SHOP grant funds you request. You must identify any program funding gap. You must describe how SHOP grant funds will be used to fill this funding gap so you and your affiliates can achieve your SHOP goals and develop the number of SHOP units proposed.

Applicants that fail to adequately describe why SHOP funds are needed will receive a lower score. Applicants that fail to identify the specific program funding gap and amount of SHOP funds needed to fill this gap will receive a lower score.

Rating Factor 3: Soundness of Approach

Maximum Points: 40

This Rating 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. Specifically, HUD will evaluate your processes for determining the feasibility of proposed SHOP projects, evaluating the homebuyer’s ability to afford and sustain homeownership, valuing the homebuyer’s sweat equity contribution, and ensuring the completion and conveyance of your SHOP units. HUD will also examine your SHOP budget, training and technical assistance approach, and your plan for providing employment and job training opportunities for local area residents and businesses.

Content Requirements for Rating Factor 3 (no page limit)

a. Project Feasibility (up to 11 points). You must describe your procedures for assessing the feasibility of SHOP units, including an assessment of:

- (1) The market to determine whether there is a demand for self-help homeownership housing,
- (2) The eligible low-income population to determine whether there is an adequate pool of homebuyers in the market area,

(3) The site(s) to determine whether there are any constraints that may prohibit or delay the development of the self-help housing units,

(4) The financial viability of the project to determine whether sufficient leveraged resources are committed to the project,

(5) The development schedule to determine whether the self-help housing units will be completed and conveyed within the required SHOP grant schedule and

(6) The feasibility of developing new, energy efficient SHOP units that meet the ENERGY STAR Certified New Homes (or ENERGY STAR for Multifamily High Rise) standard, including the availability of qualified HVAC and Home Energy Rating System contractors.

Procedures that fail to adequately address each component of the project feasibility process will receive a lower score.

b. Affordable and Sustainable Homeownership (up to 2 points).

You must identify the specific standard(s) you and your affiliates will use to determine whether a homebuyer can afford the SHOP unit at the time of purchase and sustain the costs of homeownership over the long term. Failure to clearly identify specific, measurable standards that will evaluate the ability of your SHOP homebuyers to afford and sustain homeownership will result in a lower score.

Applicant that identifies the specific and measurable standards of the applicant and their affiliates will be used to determine whether a homebuyer can afford the SHOP unit at the time of purchase will receive one point.

Applicant that identifies the specific and measurable standards of the applicant and their affiliates will be used to determine whether the homebuyer can sustain costs of homeownership over the long term will receive one point.

c. Sweat Equity Contribution and Valuation (up to 11 points).

HUD will evaluate your sweat equity requirements as described in the Program Design and Scope of Work section of this NOFO. Specifically, HUD will evaluate the extent to which your program design exceeds the minimum number of sweat equity hours required of the homebuyer (100 hours for multi-person homebuyers and 50 hours for individual homebuyers), and the minimum sweat equity valuation for those hours (a minimum average hourly rate or equivalent value of \$1000 per 100 hours of sweat equity for multi-person homebuyers and \$500 per 50 hours of sweat equity for individual homebuyers). Applicants are encouraged to exceed these minimum standards to ensure that the homebuyers contribute a significant amount of sweat equity toward the construction of the unit. Applicants may exceed these standards through a higher valuation of the homebuyer's sweat equity and/or requiring more than the minimum number of sweat equity hours.

The applicant that meets the minimum sweat equity hours and valuation requirements will

receive a maximum of four points. (100 hours for multi-person homebuyers and 50 hours for individual homebuyers, and the minimum sweat equity valuation for those hours are a minimum hourly rate or equivalent value or \$1000 per 100 hours of sweat equity for multi-person homebuyers and \$500 per 50 hours of sweat equity for individual homebuyers)

- The applicant that exceeds the minimum number of sweat equity hours will receive a maximum of four points.
- The applicant that exceeds the minimum hourly rate or equivalent sweat equity value will receive a maximum of four points.

d. SHOP Grant Schedule (up to 4 points).

HUD will evaluate the SHOP Grant Schedule included in the Program Design and Scope of Work section of this NOFO. Your SHOP Grant Schedule must demonstrate that you will expend all of your SHOP grant funds no later than the expiration date of your proposed period of performance (i.e., 24 month or 36 months as applicable) and provide how you will meet project milestones. Your SHOP Grant Schedule must also demonstrate that you will complete and convey all SHOP-assisted units within 36 months of the expiration date of your proposed period of performance.

e. SHOP Budget (up to 3 points).

HUD will evaluate the HUD-424-CB and HUD-424-CBW included in the Program Design and Scope of Work Section of this NOFO. Your SHOP budget must include all required budget line items under the appropriate budget category including all activities funded with both SHOP and leveraged funds, monitoring costs, compliance costs associated with water conservation, lead-based paint and accessibility and if applicable, the value of donations, volunteer labor, and sweat equity. Your budget must also include a separate column or columns for leveraged funds.

Failure to address all required budget elements will result in a lower score. Applicants that provide inconsistent budget figures throughout the SHOP application will also receive a lower score.

f. Training and Technical Assistance (up to 3 points).

You must describe the format, topic(s) and frequency of any training and technical assistance you will provide or procure to ensure that you and your affiliates, including any inexperienced affiliates, possess and continue to maintain the skills and knowledge needed to develop self-help homeownership housing and comply with all SHOP and other applicable Federal requirements. A sound training plan will ensure that all consortium members and affiliates are provided ongoing training on the SHOP requirements, as well as all other applicable Federal requirements. A sound training plan should also describe other training and technical assistance that will be provided to inexperienced or nonperforming consortium members or affiliates.

Failure to present a training and technical assistance plan that adequately addresses the basic SHOP and other applicable Federal requirements will result in a lower score. A training plan that fails to adequately address the specific training and technical assistance needs of inexperienced affiliates and poor performing consortium members and affiliates will receive a lower score.

g. Quality of Section 3 Plan (4 points).

Your work plan must describe your strategy for hiring Section 3 workers, providing training opportunities to Section 3 workers, and awarding contracts to Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project.

In accordance with HUD's Section 3 regulations at 24 CFR 75.7, your application will receive up to 4 points based your response to the following inquiries:

- types and amounts of employment, training, and contracting opportunities to be generated as a result of proposed grant activities;
- specific actions to be taken to give Targeted Section 3 workers (as defined at 24 CFR 75.21) and Section 3 business concerns (as defined at 24 CFR 75.5) priority consideration for employment, training, contracting, and other economic opportunities in accordance with HUD's regulations at 24 CFR part 75, subparts A and C;
- written criteria to be used for determining the respective eligibility of individuals and businesses as Targeted Section 3 workers and Section 3 business concerns;
- written procedures to be used for notifying Targeted Section 3 workers and Section 3 business concerns about the availability of training, employment, and contracting opportunities;
- methodology to be used for monitoring subrecipients and contractors to assure compliance with Section 3 requirements;
- strategies for meeting or exceeding the Section 3 benchmarks that HUD may establish as provided by 24 CFR 75.23; and
- contact information and qualifications for staff persons who will be responsible for the day-to-day implementation of Section 3.

Applicants that demonstrate they have developed high-quality Section 3 plans and are equipped to successfully train, hire, and contract with Section 3 qualifying workers and contractors will receive four points. Applicants that do not demonstrated high-quality plans or do not meet the minimum Section 3 requirements will receive zero points. Additional Section 3 information can be obtained at:

https://www.hud.gov/program_offices/field_policy_mgt/section3/publications_and_regulations

h. Plan to Affirmatively Further Fair Housing (1 point).

Applicants must describe how their proposed activities will align with AFFH requirements. Specifically, applicants must describe how their proposed activities are expected to: 1) address significant disparities in housing need among Veterans who are members of protected class groups; or 2) address disparities in access to opportunity for Veterans who are members of protected class groups. This is a requirement of the NOFO and must be addressed in response to this Rating Factor. Suggested narrative response should not exceed 1-page.

i. Experience Promoting Racial Equity (1 point).

Applicants must describe their experience and resources to effectively address the needs of underserved communities, particularly Black and Brown communities. This may include experience successfully working directly with such groups, experience designing or operating programs that equitably benefit such groups, or experience successfully advancing racial equity in other ways. This may also include experience soliciting, obtaining, and applying input from

such groups when designing, planning, or implementing programs and activities. Suggested narrative response should not exceed 1-page.

Rating Factor 4: Leveraging Resources

Maximum Points: 20

Content Requirements for Rating Factor 4 (no page limit)

a. Success in Obtaining Leveraged Resources (up to 5 points).

(1) Previous Success. You must describe your previous success in obtaining leveraged resources for your self-help homeownership housing program during the most recent five-year period which should be the same period as stated in your response to Rating Factor 1. For each year, you must identify:

(a) Your total program budget,

(b) The total dollar value of the leveraged resources required,

(c) The total dollar value of the leveraged resources firmly committed at time of SHOP application,

(d) The total dollar value of the leveraged resources received, and

(e) The ratio of the total dollar value of leveraged resources firmly committed to the total dollar value of leveraged resources required.

If all of your required leveraged resources have not been firmly committed, you must describe the steps you have taken or are taking to secure these funds.

HUD will evaluate your success in obtaining leveraged resources by examining your ratio of the total dollar value of leveraged resources firmly committed to the total dollar value of leveraged resources required for both the oldest two years of your designated five-year period, and the most recent three years of your designated five-year period. The applicant with the oldest two years of its designated five-year period and the best leverage ratio receives the highest points.

The applicant that demonstrates a leverage ratio of 80% or higher receives the highest points for each of the oldest two years of the designated five-year period will receive a maximum of eight points. The applicant that demonstrates a leverage ratio of 50% or higher for each of the most recent three years of the designated five-year period will receive a maximum of four points.

(2) Supplemental Chart. You must submit, in an appendix, a supplemental chart “Leveraged Resources Committed and Received Chart” that lists for each year, each leveraged resource that has been firmly committed and received. Leveraged resources of the same resource type that are from the same general funding source may be combined. This chart should be in a spreadsheet format and provide the following:

(a) Column 1- The general funding source for each leveraged resource that has been firmly committed (applicant, private for-profit, private non-profit, state government, local government, Federal government, or other (specify)). For Federal funding sources, you must separately list

each Federal program source by agency (e.g. HUD HOME, HUD CDBG, USDA Sec. 502).

(b) Column 2- The type of leveraged resource as either cash (grants, loans, or cash gifts/contributions) or non-cash gifts (donated land, donated construction tools, equipment or materials, donated products or appliances, donated professional services or other).

(c) Column 3- The total dollar value of the leveraged resource.

(d) Column 4- The date that the leveraged resource was firmly committed.

(e) Column 5- The total dollar value of the leveraged resource actually received or drawn down.

(f) Column 6- The steps you have taken or are taking to secure those leveraged resources that have not been received.

(g) Column 7- Optional note or explanation.

Leveraged resources may be eliminated from consideration if the required data is not provided. Incomplete leverage data may result in a lower rating.

The letter of firm commitment is irrevocable, subject only to approval and receipt of an FY2023 SHOP grant. Each letter of commitment must include the partner organization's name and applicant's name, reference SHOP and describe the proposed total level of commitment and responsibilities, expressed in dollar value for cash or in-kind contributions, as they relate to the proposed program. The commitment must be written on the letterhead of the participating organization, must be signed by an official of the organization legally able to make commitments on behalf of the organization, and must be dated no earlier than the date of publication of this NOFO. In documenting a firm commitment, the applicant's partner must:

1. Specify the authority by which the commitment is made, the amount of the commitment, the proposed use of funds, and the relationship of the commitment to the proposed investment. If the committed activity is to be self-financed, the applicant's partner must demonstrate its financial capability through a corporate or personal financial statement or other appropriate means; and
2. Affirm that the firm commitment is contingent only upon the receipt of SHOP funds and state a willingness on the part of the signatory to sign a legally binding agreement (conditioned upon HUD's environmental review and approval).

b. Leveraged Resources Strategy (up to 10 points).

(1) Strategy. You must describe your strategy for securing the amount of leveraged resources you need to develop the number of SHOP units you propose in your SHOP application. The total amount of the leveraged resources must be the same as the total amount shown on the HUD-424-CB and HUD-424-CBW that you submit in response to the Program Design and Scope of Work. You must demonstrate that the leveraged resources you will secure will be sufficient to develop the number of units proposed in your SHOP application.

HUD will evaluate your strategy for securing leveraged resources by examining the ratio of the total dollar value of leveraged resources secured to the total dollar value of leveraged resources required. Applicants that demonstrate secured leveraged resources of

50 percent or more of the required leverage will receive a higher score.

(2) Supplemental Chart. You must submit, in an appendix, a supplemental chart, “Leveraged Resources Proposed Chart,” that lists the leveraged resources that you have secured or propose to secure. Leveraged resources of the same resource type that are from the same general funding source may be combined. This chart should be in spreadsheet format and provide the following data:

(a) Column 1- The general funding source for each leveraged resource that you have secured or propose to secure (applicant, private for-profit, private non-profit, state government, local government, Federal government, or other (specify)). For Federal funding sources, you must separately list each Federal program source by agency (e.g. HUD HOME, HUD CDBG, USDA Sec. 502).

(b) Column 2-The type of leveraged resource, such as cash (grants, loans, or cash gifts/contributions) or non-cash gifts (donated land, donated construction tools, equipment or materials, donated products or appliances, donated professional services or other).

(c) Column 3-The total dollar value of the leveraged resource.

(d) Column 4-The date that the leveraged resource was firmly committed (if applicable).

(e) Column 5- If the leverage is not firmly committed, provide the date that you estimate the leveraged resource will be firmly committed (if applicable).

(f) Column 6-The steps you have taken or are taking to secure those leveraged resources that have not been firmly committed.

(g) Column 7- Indicate whether you have previously raised similar amounts of leveraged resources from the identified funding source, and the specific amount.

(h) Column 8- Optional note or explanation.

Leveraged resources may be eliminated from consideration if the required data is not provided. Incomplete leveraged resources data may result in a lower rating.

Rating Factor 5: Achieving Results and Program Evaluation

Maximum Points: 16

This Rating Factor evaluates whether you have an effective plan for managing and monitoring your SHOP program performance and compliance. This factor also evaluates whether you have an effective plan for evaluating the timeliness, compliance, efficiency and effectiveness of your SHOP program. HUD will consider the quality of your program performance, compliance and monitoring procedures, the frequency and type of your monitoring reviews, your process for corrective actions, the quality of your evaluation procedures, 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 schedule and monitoring results, as well as their program evaluation results.

Content Requirements for Rating Factor 5 (no page limit)

a. Monitoring Plan. HUD will evaluate the Monitoring Plan submitted under the Program Design and Scope of Work section of this NOFO to determine if you have a comprehensive process for tracking and evaluating the performance and compliance of your SHOP program, including your consortium members and affiliates as applicable, throughout the period of performance and through the completion and conveyance of the SHOP unit to the homebuyer. This Monitoring Plan must contain the elements listed in the SHOP Program Summary under Section IV.B.1.b.(1). In addition, the Monitoring Plan will be evaluated on the following:

(1) Ongoing, Distance Monitoring (up to 8 points). HUD will evaluate your ongoing, distance monitoring procedures to determine if your plan routinely tracks the performance and compliance of your consortium members and/or affiliates using specific monitoring benchmarks. HUD will also evaluate the remedies and corrective actions you will take to correct performance and compliance problems once they are identified. Applicants that fail to present a thorough and appropriate process for routinely assessing SHOP performance and compliance will receive a lower score. Applicants that fail to outline remedies and corrective actions that appropriately address performance and compliance problems will receive a lower score.

(2) On-Site Monitoring (up to 5 points). HUD will evaluate your on-site monitoring procedures to determine if you will use appropriate risk-based indicators to identify potential performance and compliance problems. HUD will also evaluate the remedies and corrective actions you will take to address identified performance and compliance failures. Applicants that fail to present a thorough and appropriate risk-based process for assessing performance and compliance risk will receive a lower score. Applicants that fail to outline remedies and corrective actions that appropriately address performance and compliance findings will receive a lower score.

b. Evaluation Plan (up to 3 points).

(1) Procedures. You must describe your procedures for evaluating your SHOP program, including the frequency and methods you will use to collect data. You must identify the quantifiable output and outcome indicators or measures you will use to evaluate whether your SHOP program is achieving your goals and addressing the needs identified in your SHOP application.

(2) Goals. You must identify your quantifiable SHOP program goals. You must identify both your primary and secondary goals. You must describe how your goals are related to each of the specific needs you identified in Rating Factor 2 "Need/Extent of Problem."

Goals are the results or outcomes you hope to accomplish. For example, the primary goals of your SHOP program may be an increase in homeownership in your target areas by 10 percent, or a reduction in the annual housing cost for SHOP homebuyers to no more than 30 percent of monthly income. A secondary goal of your SHOP program may be to increase the number of Section 3 businesses receiving SHOP contracts by 10 percent.

(3) Program Improvement. You must describe how you will use your evaluation results to increase the efficiency and effectiveness of your SHOP program, including the achievement of your SHOP goals.

HUD will assess your evaluation plan to determine if you have clear and measurable goals and output and outcome indicators. Applicants that fail to present a clear plan for evaluating their SHOP program using quantifiable output and outcome measures will receive a lower score.

Applicants who have received SHOP grants in the past must discuss program improvements that were made to address issues revealed in their evaluations. In addition, the applicant should also discuss how they identified the issues in their evaluations, the steps that they took to address those issues, and their assessment of how successful their actions have been.

Section 3

In accordance with HUD's Section 3 regulations at [24 CFR 75.7](#), your application will receive up to 4 points based the quality of Section 3 plans submitted. The program office will consider the following in evaluating the quality of the Section 3 plan: strategy for hiring and training Section 3 workers .

2. Other Factors

Preference Points

This NOFO supports the following policy initiatives. If your application demonstrates the appropriate information for the policy initiative, your application will receive up to two (2) points for each initiative, and will receive no more than a total of four (4) points. These points are added to your application's overall score.

Climate Change (2 points)

Environmental Justice (2 points)

Promise Zones (PZ) (2 points)

Historically Black Colleges and Universities (HBCUs) (2 points)

You may choose to voluntarily commit to address policy initiatives in your application. Addressing these policy initiatives is not a requirement to apply for or receive an award. If you choose to address a voluntary policy initiative in your application, however, you will be required to adhere to the information submitted with your application should you receive an award. The proposed information will be included as a binding requirement of any federal award you receive as a term and condition of that award.

Climate Change

In accordance with [Executive Order 14008, Tackling the Climate Crisis at Home and Abroad](#), HUD prioritizes activities that achieve the goal of bolstering adaptation and increasing resilience to the effects of climate change. HUD will award up to two (2) points for applications that identify measures that will be incorporated in the project and will advance carbon reduction and reduce vulnerability of the project to climate impacts and threats identified in the U.S. Global Change Research Program National Climate Assessment (NCA) and related analyses. Climate impacts include, but are not limited to: threats from hydrological and precipitation changes, extreme weather events, extreme heat, and sea level rise.

Applicants may receive one point for demonstrating via application materials one of the following, with a maximum of two points awarded for this priority overall:

a. Carbon Reduction (1 point): To receive 1 point under this objective, applicants must show how their proposed grant activities will increase energy or water efficiency or reduce carbon emissions, or protect against future extreme weather events in the target community through one or a combination of the following: (1) Achievement of certification through Energy Star or other green rating system; (2) incorporation of water saving measures and low-carbon, renewable energy sources such as solar power; (3) participation in voluntary Federal, State, Local or tribal energy and water efficiency initiatives that reduce carbon emissions or; (4) use of materials and construction techniques that reduce carbon emissions. Applications must clearly describe how identified actions measurably reduce the carbon emissions or energy or water consumption of the project below the established baseline for the target community based on facility size and type.

b. Climate Adaptation and Resilience (1 point): To receive one point under this objective, applicants must show how their proposed grant activities will reduce vulnerabilities to one or more of the impacts of the climate change identified in the NCA and related analyses in the target community. Applicants must show how their proposed activities would improve climate adaptation and resilience through use of materials and construction techniques including natural and green techniques and those that harden infrastructure, buildings, and surrounding open space from extreme weather as defined below:

(1) **Hydrological and Precipitation Change including Flood Risk:** The application demonstrates one of the following: a) The project site (including developed or undeveloped areas) is located at least two feet above the Federal Emergency Management Agency 100-year base flood elevation (BFE), or, for critical actions, at least three feet above BFE or above the 500-year floodplain where mapped; or, b) the project purpose includes restoration

of the beneficial function of the floodplain in accordance with the criteria at [24 CFR 55.12\(c\)\(3\)](#).

(2) **Extreme Weather Events:** The application demonstrates that project design is informed by consideration of the potential for extreme weather events at the project location based on the NCA and related analyses (including regional and local assessments) and based on extreme weather threats endemic to the geographic location and incorporates measures to reduce the risk to residents and property through construction techniques, site selection, emergency planning, resilient systems that reduce the potential for service interruption, or other measures.

(3) **Temperature Shifts:** The application demonstrates that the project design includes specific measures to reduce vulnerability to extreme heat events, heat-related illness affecting children, elderly, persons with disabilities, and functional needs populations, to reduce risk to asthmatic individuals in locations with higher ground-level ozone concentrations, or to assist communities impacted by thawing permafrost.

(4) **Sea-Level Rise:** The application demonstrates that the project design includes measures to protect buildings and infrastructure in coastal areas from inundation and wave action or permit relocation of residents from locations impacted by these effects.

(5) **Wildfires:** In a location with elevated wildfire risk, the application demonstrates that the project design includes protective measures such as defensible space and separation from tree lines, fire-resistant construction techniques and participation in emergency planning efforts.

Environmental Justice: In accordance with [Executive Order 12898](#), Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, and EO 14008, HUD will award up to two (2) points for applications proposing activities that advance Environmental Justice (as defined in Section I.A.4 of this NOFO). For the purposes of this grant program, activities that advance Environmental Justice include doing the following for people or communities that have been environmentally underserved or overburdened (e.g. low-income and Black and Brown communities):

- Reducing or mitigating exposure to environmental and health hazards (e.g. industrial facilities, EPA superfund sites, legacy pollution, heat islands).
- Improving protection from and resilience to environmental harms (e.g. fire-resistant materials, floodproofing).
- Expanding environmental benefits (e.g. clean air and water, public transportation, bike and walking paths, clean energy, green technology, biodiversity).
- Overcoming prior disinvestment in environmental infrastructure (e.g. drainage systems, green spaces, pollution controls).

To receive points under this Section, your application must describe in detail how your proposed activities will advance Environmental Justice in one or more of these ways.

In addition, to receive points under this Section, your application must also clearly describe how your activities will be informed by input from affected communities. To provide those affected a

meaningful opportunity to participate in the design and implementation of your activities, you should make key information available online and through other media, engage with community leaders, solicit public feedback, hold public meetings at a variety of times and locations or virtually, and respond appropriately to community concerns.

HBCUs

An applicant partnering with a Historically Black College or University (HBCU) will receive up to two (2) Preference Points when the application includes a Letter of Commitment certifying that an HBCU Partnership is in place and signed by an authorizing official of the HBCU and documentation of the college or university's status as an HBCU. [Click here to view the list of accredited HBCU's.](#)

Minority-Serving Institutions

Pursuant to Executive Orders [13985](#), [14041](#), [14045](#), and [14031](#), you may receive up to two (2) preference points if you are an applicant designated as a minority-serving institution (MSI) or if your application proposes one or more partnerships with minority-serving educational institutions that have been historically underserved.

This program does not offer preference points related to minority-serving institutions.

Promise Zones

HUD encourages activities in Promise Zones (PZ). To receive Promise Zones Preference Points, applicants must submit form HUD-50153, "Certification of Consistency with Promise Zone Goals and Implementation," signed by the Promise Zone Official authorized to certify the project meets the criteria to receive preference points. To view the list of designated Promise Zones and persons authorized to certify, see the [Promise Zone](#) pages on HUD's website.

B. Review and Selection Process

1. Past Performance

In evaluating applications for funding, HUD will consider an applicant's past performance in managing funds. Items HUD will consider include, but are not limited to:

OMB-designated repositories of governmentwide data, as noted in [2 CFR 200.206\(a\)](#)

The ability to account for funds in compliance with applicable reporting and recordkeeping requirements

Timely use of funds received from HUD

Timely submission and quality of reports submitted to HUD

Meeting program requirements

Meeting performance targets as established in the grant agreement

The applicant's organizational capacity, including staffing structures and capabilities

Timely completion of activities and receipt and expenditure of promised matching or leveraged funds

The number of persons served or targeted for assistance

Promoting self-sufficiency and economic independence

Producing positive outcomes and results

HUD may reduce scores based on the past performance review, as specified under V.A. Review Criteria. Whenever possible, HUD will obtain and review past performance information. If this review results in an adverse finding related to integrity of performance, HUD reserves the right to take any of the remedies provided in the [Pre-Selection Review of Performance section of the Eligibility Requirements for Applicants of HUD Financial Assistance Programs](#).

2. Assessing Applicant Risk

In evaluating risks posed by applicants, HUD may use a risk-based approach and may consider any items such as the following:

- (1) Financial stability;
- (2) Quality of management systems and ability to meet the management standards prescribed in this part;
- (3) History of performance. The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, failing to make significant progress in a timely manner, failing to meet planned activities in a timely manner, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards;
- (4) Reports and findings from audits performed under Subpart F—Audit Requirements of this part or the reports and findings of any other available audits; and
- (5) The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.

1. Rating and Ranking.

a. Threshold Review. HUD will screen each application to determine if it meets the threshold criteria listed in Section III.C. of this NOFO; and whether it is deficient and subject to corrections of curable deficiencies as described in section IV.D. of this SHOP NOFO.

b. Applications that will not be Funded. HUD will not rate and rank applications that fail to cure deficiencies within the time frame provided by HUD. Further, HUD will not rate, rank or fund applications that fail any of the threshold requirements contained in the Section III.F. of this program NOFO.

c. Rating. HUD will rate each eligible application that meets the threshold criteria based on the applicant's response to the Rating Factors. HUD will assign a score for each Rating Factor and a total score for each eligible application.

d. Minimum Rating Score. Applicants must receive at least 18 points under Rating Factor 1 of this NOFO, “Capacity of the Applicant and Relevant Organizational Staff.” Applicants must receive a total score of 75 points or more for Rating Factors 1 through 5. HUD will reject any application that does not meet these minimum rating score requirements.

e. Tie Scores. If two or more applications have the same score, the applicant with the highest

score for Rating Factor 1 of this NOFO, ("Capacity of the Applicant and Relevant Organizational Staff"), will be ranked higher. If a tie remains, the applicant with the highest score for Rating Factor 3 of this NOFO, ("Soundness of Approach"), will be ranked higher.

2. Award Amount. HUD will not fund any portion of an application that is ineligible for funding. HUD may fund less than the amount requested by a successful applicant based on the following:

a. HUD may adjust the funding amount to ensure the development of housing on a national, geographically diverse basis as required by the SHOP statute.

b. HUD may reduce a SHOP grant award for inadequate program performance, including:

(1) Delays in meeting performance targets, including:

(i) Unit completion and conveyance delays,

(ii) Slow grant fund disbursement rate,

(2) The return and/or deobligation of SHOP or other grant funds, and

(3) Unresolved audit or monitoring findings.

(4) For new applicants, any performance issues reported by the references provided by the applicant in response to Rating Factor 1.

c. HUD may also reduce a SHOP grant award depending on the extent to which the applicant fails to exceed the minimum number of sweat equity hours and/or the minimum sweat equity valuation as described in Section III. F.(8) of this NOFO.

In no case shall the grant award be less than the amount necessary to fund the statutory 30-unit minimum.

If any funds remain after all grant award selections have been made, the remaining funds will be made available for subsequent SHOP competitions.

3. Experience Promoting Racial Equity

In evaluating applications for funding, HUD will consider the extent to which the application demonstrates that the applicant has the experience and the resources to effectively address the needs of underserved communities, particularly Black and Brown communities. This may include experience successfully working directly with such groups, experience designing or operating programs that equitably benefit such groups, or experience successfully advancing racial equity in other ways. This may also include experience soliciting, obtaining, and applying input from such groups when designing, planning, or implementing programs and activities.

Applicants will demonstrate having experience or resources to effectively meet the needs of underserved communities, particularly Black and Brown communities, in response to Rating Factor 1 (Applicant Capacity).

VI. AWARD ADMINISTRATION INFORMATION

A. Award Notices

Following the evaluation process, HUD will notify successful applicants of their selection for funding. HUD will also notify other applicants, whose applications were received by the deadline but were not chosen for award. Notifications will be sent by email to the person listed as the AOR in item 21 of the SF-424.

1. Final Grant

After HUD has made selections, HUD will finalize specific terms of the award and budget in consultation with the selected applicant. If HUD and the selected applicant do not finalize the terms and conditions of the award in a timely manner, or the selected applicant fails to provide requested information, an award will not be made to that applicant. In this case, HUD may select another eligible applicant. HUD may also impose specific conditions on an award as provided under [2 CFR 200.208](#).

2. Adjustments to Funding

To ensure the fair distribution of funds and enable the purposes or requirements of a specific program to be met, HUD reserves the right to fund less than the amount requested in an application.

a. HUD may fund no portion of an application that:

- (1) Is ineligible for funding under applicable statutory or regulatory requirements;
- (2) Fails, in whole or in part, to meet the requirements of this notice;
- (3) Duplicates activities funded by other federal awards; or
- (4) Duplicates activities funded in a prior year.

b. HUD may adjust the funding for an application to ensure funding diversity, geographic diversity, and alignment with HUD administrative priorities.

c. If an applicant turns down an award offer, or if HUD and an applicant do not finalize the terms and conditions of the award in a timely manner, HUD may withdraw the award offer and make an offer of funding to another eligible application.

d. If funds remain after all selections have been made, remaining funds may be made available within the current fiscal year for other competitions within the program area, or be held for future competitions (if allowable in accordance with the applicable appropriation or authorizing statute), or be used as otherwise provided by authorizing statute or appropriation.

e. If, after announcement of awards made under the current NOFO, additional funds become available either through the current appropriations, a supplemental appropriation, other appropriations or recapture of funds, HUD may, in accordance with the appropriation, use the additional funds to provide additional funding to an applicant awarded less than the requested amount of funds to make the full award, and/or to fund additional applicants that were eligible to receive an award but for which there were no funds available.

3. Funding Errors

If HUD commits an error that when corrected would cause selection of an applicant during the funding round of a Program NOFO, HUD may select that applicant for funding, subject to the availability of funds. If funding is not available to award in the current fiscal year, HUD may make an award to this applicant during the next fiscal year, if funding is available.

1. **Notification.** If you are awarded a SHOP Grant, HUD will notify you in writing of the amount of your Grant award. HUD will also execute and send you your SHOP Grant Agreement. You must sign and date your SHOP Grant Agreement and return it to HUD. Upon receipt of your fully executed SHOP Grant Agreement, HUD will establish your

Line of Credit and notify you when your SHOP Grant funds are available for drawdown. The date of this notification is the date your SHOP period of performance begins.

2. **Reporting Instructions.** All successful applicants must comply with the SHOP Grant Reporting requirements in Section VI.C.3 of this NOFO and the SHOP award grant agreement.
3. **Performance and Compliance.** HUD will evaluate your performance and compliance with the requirements of this NOFO and your approved application. HUD expects you to fulfill the commitments that you make as part of your application. HUD will require corrective action when you fail to perform adequately.

4. **Period of Performance.** The SHOP statute requires the Secretary “to recapture any grant amounts provided to the organization that are not used within 24 months after the amounts are first disbursed to an organization or consortium except that such period shall be 36 months...in the case of grant amounts provided to a local affiliate...that is developing five or more dwellings.” You must expend all SHOP grant funds within 24 months of the date that HUD makes the SHOP grant funds available for drawdown in your Line of Credit, except that SHOP grant funds provided to an affiliate that develops five or more SHOP units (and SHOP grant funds used by you for directly related administrative costs) must be expended within 36 months of the date that HUD makes the SHOP grant fund available for drawdown in your Line of Credit. HUD will deobligate any grant funds that have not been expended by the period of performance deadline.

B. Administrative, National and Departmental Policy Requirements and Terms for HUD Applicants and Recipients of Financial Assistance Awards

Unless otherwise specified, the following [Administrative, National and Department Policy Requirements and Terms for HUD Financial Assistance Awards](#) apply. Failure to comply with these requirements may impact your ability to receive or retain a financial assistance award from HUD. Read the requirements carefully as the requirements are different among HUD’s programs.

1. Compliance with The Fair Housing Act ([42 U.S.C. 3601-3619](#)) and implementing regulations at [24 CFR part 100 et seq](#)
2. Compliance with Title VI of the Civil Rights Act of 1964, [42 U.S.C. 2000d-2000d-4](#) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at [24 CFR part 1](#)
3. Compliance with the Age Discrimination Act of 1975 ([42 U.S.C. 6101-6107](#)) and implementing regulations at [24 CFR part 146](#)
4. Compliance with Section 504 of the Rehabilitation Act of 1973 ([29 U.S.C. 794](#)) and implementing regulations at [24 CFR part 8](#)
5. Compliance with the Americans with Disabilities Act, [42 U.S.C. 12101 et seq](#)
6. Compliance with Affirmatively Furthering Fair Housing (AFFH) requirements, including those listed on HUD's [Affirmatively Furthering Fair Housing](#) webpage
7. Compliance with Economic Opportunities for Low-and Very Low-income Persons (Section 3) requirements, including those listed at [24 CFR part 75](#)
8. Compliance with Improving Access to Services for Persons with Limited English Proficiency (LEP) requirements, including those listed within [Federal Register Notice, FR-4878-N-02](#) (also see [HUD's webpage](#))

9. Compliance with Accessible Technology requirements, including those listed on in [HUD's Policy on Section 508 of the Rehabilitation Act and Accessible Technology](#)
10. Compliance with Equal Access Requirements (see [24 CFR 5.105\(a\)\(2\)](#) and [5.106](#))
11. Compliance with Ensuring the Participation of Small Disadvantaged Business, and Women-Owned Business requirements at [2 CFR 200.321](#)
12. Compliance with Energy Efficient, Sustainable, Accessible, and Free from Discrimination by Design
13. Compliance with Real Estate Acquisition and Relocation requirements (see [49 CFR part 24](#) and applicable program regulations)
14. Compliance with Participation in HUD-Sponsored Program Evaluation (see [Federal Register Notice, FR-6278-N-01](#))
15. Compliance with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (see [2 CFR part 200](#))
16. Compliance with Drug-Free Workplace requirements (see [2 CFR part 2429](#), which is HUD's implementation of [41 U.S.C. 701, et seq.](#))
17. Compliance with the requirements related to safeguarding resident/client files
18. Compliance with the Federal Funding Accountability and Transparency Act of 2006 ([2 CFR part 170](#)) (FFATA), as amended
19. Compliance with Eminent Domain
20. Compliance with Accessibility for Persons with Disabilities requirements on [HUD's Disability Overview](#) webpage
21. Compliance with Violence Against Women Act at [24 CFR part 5](#), subpart L and applicable program regulations
22. Compliance with Conducting Business in Accordance with Ethical Standards/Code of Conduct, including [2 CFR 200.317](#), [2 CFR 200.318\(c\)](#) and other applicable conflicts of interest requirements
23. Compliance with the [Build America, Buy America \(BABA\) Act](#) procurement requirements and [implementing guidance available on HUD's dedicated webpage](#)
24. Compliance with System for Award Management and Universal Identifier Requirements at [2 CFR part 25](#)
25. Compliance with [section 106\(g\) of the Trafficking Victims Protection Act of 2000 \(TVPA\), as amended \(22 USC 7104\(g\)\)](#) and implementing regulations at [2 CFR part 175](#) (Award Term for Trafficking in Persons)
26. Compliance with Award Term and Condition for Recipient Integrity and Performance Matters (see [Appendix XII to 2 CFR part 200](#))
27. Compliance with Suspension and Debarment (see [2 CFR part 2424](#) and [2 CFR part 180](#))
28. Compliance with environmental justice requirements under Executive Orders [12898](#) and [14008](#), and OMB Memorandum [M-21-28](#), which implements the Justice40 Initiative, section 223 of Executive Order [14008](#).
29. Compliance with Eliminating Barriers That May Unnecessarily Prevent Individuals with Criminal Histories from Participation in HUD Programs (see [HUD Secretary Fudge's April 12, 2022 memorandum](#))
30. Compliance with equity requirements, which include compliance with racial equity and underserved communities and LGBTQ+ requirements under Executive Orders [13985](#) and [13988](#)
31. Compliance with waste, fraud, and abuse requirements, including whistleblower protections (see [HUD's webpage](#))

Environmental Review

Compliance with environmental requirements, including regulations at [24 CFR part 50](#) or [58](#):

You and your affiliates must comply with the SHOP environmental review requirements. 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, or 24 CFR Part 50 when the unit of general local government within which the project is located (or other responsible entity) declines or is unable to perform the environmental review procedure under 24 CFR Part 58 (as determined by the HUD Field Office CPD Division Director in accordance with HUD's instructions).

You and your affiliates must not undertake any project or activity or commit HUD or non-HUD 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, and HUD approves your request for release of funds under the environmental provisions contained in 24 CFR part 58 or you receive HUD's approval of the project or activity under 24 CFR part 50, as applicable. Notwithstanding the preceding sentence, in accordance with 24 CFR 58.22(e), section 11(d)(2)(A) of the Housing Opportunity Program Extension Act of 1996 and HUD Notice CPD-16-12; CPD's Notice on Environmental Review Procedures for SHOP, 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 NOFO. Refer to SHOP NOFO Section IV.F. "Funding Restrictions" for additional guidance.

Prohibition on Surveillance

Compliance with [2 CFR 200.216, Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment](#) is required.

Remedies for Noncompliance

HUD may terminate a Federal award, in whole or in part, for any of the reasons specified in [2 CFR 200.340, Termination](#).

Lead-Based Paint Requirements

When providing housing assistance funding for purchase, lease, support services, operation, or work that may disturb painted surfaces, of pre-1978 housing, you must comply with the lead-based paint evaluation and hazard reduction requirements of HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing ([24 CFR part 35](#))); and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification ([40 CFR part 745](#))).

When providing education or counseling on buying or renting housing that may include pre-1978 housing under your grant you must inform clients of their rights under the Lead Disclosure Rule ([24 CFR part 35, subpart A](#)), and, if the focus of the education or counseling is on rental or purchase of HUD-assisted pre-1978 housing, the Lead Safe Housing Rule (subparts B, R, and, as applicable, F - M).

C. Reporting

HUD requires recipients to submit performance and financial reports under OMB guidance and program instructions.

1. Recipient Integrity and Performance Matters

You should be aware that if the total Federal share of your federal award includes more than \$500,000 over the period of performance, the award will be subject to post award reporting requirements reflected in [Appendix XII to 2 CFR part 200, Award Terms and Conditions for Recipient Integrity and Performance Matters](#).

2. Race, Ethnicity and Other Data Reporting

HUD requires recipients that provide HUD-funded program benefits to individuals or families to report data on the race, color, religion, sex, national origin, age, disability, and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of HUD programs in order to carry out the Department's responsibilities under the Fair Housing Act, Executive Order 11063, Title VI of the Civil Rights Act of 1964, and Section 562 of the Housing and Community Development Act of 1987. These authorities prohibit discrimination in housing and in programs receiving financial assistance from the Department and direct the Secretary to administer the Department's programs and activities in a manner affirmatively to further these policies and to collect certain data to assess the extent of compliance with these policies. Each recipient shall keep such records and submit to the Department timely, complete, and accurate compliance reports at such times, and in such form and containing such information, as the Department may determine to be necessary to enable it to ascertain whether the recipient has complied or is complying with 24 CFR parts 1 and 121. In general, recipients should have available for the Department data showing the demographics of beneficiaries of federally-assisted programs.

3. Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282) as amended (FFATA)

FFATA requires information on federal awards be made available to the public via a single, searchable website, which is www.USASpending.gov. Accordingly, each award HUD makes under this NOFO will be subject to the requirements provided by the Award Term in Appendix A to [2 CFR part 170](#), "REPORTING SUBAWARD AND EXECUTIVE COMPENSATION INFORMATION," unless the Federal funding for the award (including funding that may be added through amendments) is not expected to equal or exceed \$30,000. Requirements under this Award Term include filing subaward information in the Federal Funding Accountability and Transparency Act (FFATA) Sub-award Reporting System (FSRS.gov) by the end of the month following the month in which the recipient awards any sub-grant equal to or greater than \$30,000.

4. Program-Specific Reporting Requirements

See Section III. F. Program Specific Requirements Affecting Eligibility of this NOFO. All grant recipients under this NOFO are required to submit semi-annual reports and a final report documenting their SHOP program achievements, including the monitoring schedule and monitoring and evaluation results.

D. Debriefing

For a period of at least 120 calendar days, beginning 30 calendar days after the public announcement of awards under this NOFO, HUD will provide a debriefing related to their application to requesting applicants. A request for debriefing must be made in writing or by email by the AOR whose signature appears on the SF-424 or by his or her successor in office and be submitted to the POC in Section VII Agency Contact(s) of this NOFO. Information provided during a debriefing may include the final score the applicant received for each rating factor, final evaluator comments for each rating factor, and the final assessment indicating the basis upon which funding was approved or denied.

VII. AGENCY CONTACT(S)

HUD staff will be available to provide clarification on the content of this NOFO. Questions regarding specific program requirements for this NOFO should be directed to the POC listed below.

Name:

Lisa Peoples Sr CPD Specialist

Phone:

1-8777872526

Email:

RHED@hud.gov

Individuals who are deaf or hard of hearing, or who have speech and other communication disabilities may use a relay service to reach the agency contact. To learn more about how to make an accessible telephone call, visit the webpage for the [Federal Communications Commission](#). Note that HUD staff cannot assist applicants in preparing their applications.

VIII. OTHER INFORMATION

1. Compliance of this NOFO with the National Environmental Policy Act (NEPA)

A Finding of No Significant Impact (FONSI) with respect to the environment has been made for this NOFO in accordance with HUD regulations at [24 CFR part 50](#), which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for inspection at [HUD's Funding Opportunities](#) web page.

2. Web Resources.

- [Affirmatively Furthering Fair Housing](#)
- [Assistance Listing \(formerly CFDA\)](#)
- [Climate Action Plan](#)
- [Climate and Economic Justice Screening Tool \(CEJST\)](#)
- [Code of Conduct Requirements and E-Library](#)
- [Environmental Review](#)

- [Equal Participation of Faith-Based Organizations](#)
- [Fair Housing Rights and Obligations](#)
- [Federal Awardee Performance and Integrity Information System](#)
- [Federal Funding Accountability and Transparency Act \(FFATA\) Subaward Reporting System](#)
- [Grants.gov](#)
- [Healthy Homes Strategic Plan](#)
- [Healthy Housing Reference Manual](#)
- [Historically Black Colleges and Universities \(HBCUs\)](#)
- [HUD's Strategic Plan](#)
- [HUD Grants](#)
- [HUD Reform Act](#)
- [HUD Reform Act: HUD Implementing Regulations](#)
- [Limited English Proficiency \(LEP\)](#)
- [NOFO Webcasts](#)
- [Procurement of Recovered Materials](#)
- [Promise Zones](#)
- [Section 3 Business Registry](#)
- [State Point of Contact List](#)
- [System for Award Management \(SAM\)](#)
- [Real Estate Acquisition and Relocation](#)
- [Unique Entity Identifier](#)
- [USA Spending](#)

3. Program Relevant Web Resources

Applicants may use the checklist below as a guide when preparing your application package.

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.

1. Standard Forms (no page limit).

_____ SF424_Application_for_Federal_Assistance (Your organization's nine-digit ZIP code (basic five-digit ZIP code plus four digits) must be included in Box 8d)

_____ SF424_Supplement_Survey_on_Ensuring_Equal_Opportunity_for_Applicants ("Faith Based EEO Survey "SF-424-SUPP" on [Grants.gov](#))

2. Applicant Eligibility (no page limit).

_____ Experienced National or Regional Self-Help Housing Nonprofit

_____ Consortium Participating Members and Agreement (if applicable)

_____ Code of Conduct

3. SHOP Program Design and Scope of Work (25 page limit) (See Section IV.B.1.b.)

- _____ SHOP Program Summary (not included in the 25 page limit)
- _____ SHOP Budget (not included in the 25 page limit)
- _____ SHOP Grant Schedule (not included in the 25 page limit)
- _____ Service Area
- _____ Property Standards
- _____ Homebuyer Income Eligibility
- _____ Housing Counseling
- _____ Sweat Equity
- _____ Volunteer Labor
- _____ Homebuyer Financial Contribution
- _____ Sale Price
- _____ Mortgages and Other Loans
- _____ Affirmatively Furthering Fair Housing
- _____ Economic Opportunities for Low- and Very Low-income Persons (Section 3)
- _____ Audit
- _____ Affiliates (if applicable)
- _____ Mutual Self-Help Housing Programs (if applicable)
- _____ Monitoring Plan
- _____ Typical SHOP Unit Table (not included in the 25 page limit)
- _____ Affirmatively Furthering Fair Housing narrative (see Section IV.G)
- _____ Advancing Racial Equity narrative (see Section III.F) (not to exceed 1-page)
- _____ Affirmative Marketing narrative (see Section III.F) (not to exceed 1-page)
- 4. **Narrative Statements for Rating Factors (32 page limit or 37 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
- 5. **Forms, Certifications and Assurances (no page limit).**
 - _____ Application for Federal Assistance (SF-424)

_____ HUD_424_CB_Grant_Application_Detailed_Budget ("HUD Detailed Budget Form" on [Grants.gov](https://www.grants.gov))

_____ HUD_424_CBW_Grant_Application_Detailed_Budget_Worksheet

_____ Attachment to HUD_424_CBW ("Identification of Federal Program Sources and Amounts" e.g. HUD HOME, HUD CDBG, USDA Sec. 502)

_____ SF_LLL_Disclosure_of_Lobbying_Activities (as applicable)

_____ HUD_2880_Applicant/Recipient_Disclosure/Update_Report ("HUD Applicant Recipient Disclosure Report")

6. Appendices (no page limit).

_____ Evidence of Non-profit Status (for new applicants or consortium members; refer to SHOP NOFO Section IV.B.1.a.(1))

_____ Consortium Participating Members, if applicable (refer to SHOP NOFO Section IV. B.1.a (2))

_____ Code of Conduct (refer to SHOP NOFO Section IV.B.1.b. (3))

_____ Affiliates, if applicable (refer to SHOP NOFO Section IV. B.1.b (17))

_____ Typical SHOP Unit Table (refer to SHOP NOFO Section IV.B.1.b. (20))

_____ Performance Reports (for new applicant, refer to SHOP NOFO Section V.A.1. Rating Factor 1)

_____ References (for new applicants; refer to SHOP NOFO Section V.A.1 Rating Factor 1)

_____ Leveraged Resources Committed and Received Chart (refer to SHOP NOFO Section V.A.1. Rating Factor 4)

_____ Leveraged Resources Proposed Chart (refer to SHOP NOFO Section V.A.1. Rating Factor 4)

APPENDIX

Synopsis

FR-6700-N-19

Self-Help Homeownership Opportunity Program (SHOP)

General Information

Summary

Submit Initial Draft

02/20/2023

Document Type

Initial

Record Status

Active

Fiscal Year

2023

FOA FY Processing Year

2023

Program Funding Type

Discretionary

Funding Activity Category

HO - Housing

Recovery Act

No

Funding Instrument Type

G (Grant)

Directed Announcement

No

Administrative Policies

Non-Competing

No

Non-Competing Description

Single Source Justification (4,000 character limit)

Limited Competition

No

Additional Disqualification Factors

No

FOA History

New Opportunity

No

Previously Published Fiscal Year

2022

Previously Published Funding Opportunity Number

FR-6600-N-19

Information Collection

Expected Number of Applications

10

Award Information

Cost Sharing / Matching Requirement

No

Percentage of Cost Sharing / Matching Requirement

0

Expected Number of Awards

7

Estimated Total Funding

\$ 13,500,000

Estimated Award Ceiling

\$ 13,500,000

Per Project Period

Estimated Award Floor

\$ 1,145,000

Per Project Period

Length of Project Periods

36-month project period with three 12-month budget periods

Length of Project Periods Explanation of Other

Timely Performance. The Grantee and its affiliates must develop and convey all SHOP units within 36 months of the end of the applicable period of performance. HUD may grant an extension to a Grantee's performance schedule only when justified by good cause. HUD will require corrective actions when a Grantee fails to satisfy its approved schedule. HUD will note any failure to perform as required under the award as poor performance which may negatively affect an applicant's future SHOP funding.

Project Period | Expected Duration in Months

36

Project Type

Other

Eligibility Information**Eligibility Category****Additional Information on Eligibility (Grants.gov 4,000/GMM 2,500 character limit)**

Nonprofits having a 501(c)(3) or 501(c)(4) status with the IRS, other than institutions of higher education. Eligible applicants include public or private non-profit organizations, or a consortium of public or private non-profit organizations, that have the capacity and experience to provide or facilitate self-help homeownership opportunities on a national or regional basis. Grantees must directly undertake eligible SHOP activities and/or enter into a written agreement with one or more non-profit affiliate organizations to carry out eligible SHOP activities.

Individuals, foreign entities, and sole proprietorship organizations are not eligible to compete for, or receive, awards made under this announcement.

Key Dates**Submit Initial FOA Draft**

02/20/2023

Estimated Post Date

08/14/2023

Estimated Application Due Date

10/16/2023 11:59 PM

Application Due Date Explanation (250 character limit):

Electronically submitted applications must be submitted no later than 11:59 p.m., ET, on the listed application due date.

Estimated Award Date

11/20/2023

Estimated Project Start Date

12/20/2023

Estimated Project End Date

12/21/2026

Additional Information**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, referred to as the "SHOP" statute). HUD's authority for making funding available under this NOFO is the Consolidated Appropriations Act, 2023 (Public Law 117-328 approved December 29, 2022).

Description (Grants.gov/Forecast) (18,000 character limit)

This SHOP NOFO announces the availability of \$13,500,000 in FY2023 SHOP Grant funds 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. Applicants must propose to use a significant amount of SHOP Grant funds in at least two states. Individuals are not eligible to apply for SHOP Grant funds.

SHOP Grant funds must be used for land acquisition, infrastructure improvements, and for reasonable and necessary planning and administration 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 Grant expenditure for the combined costs of land acquisition and infrastructure improvements must not exceed \$25,000 per SHOP unit.

SHOP Grant units must be decent, safe, and sanitary non-luxury dwellings that comply with state and local codes, ordinances, and zoning requirements. The SHOP units must be sold to homebuyers at prices below the prevailing market price.

Homebuyers must be low-income and must contribute a significant amount of sweat equity towards the development of the SHOP units. A homebuyer's sweat equity contribution must not be mortgaged or otherwise restricted upon the future sale of the SHOP unit. Volunteer labor is also required.

SHOP Grantees may award SHOP Grant funds to local non-profit affiliate organizations to carry out the Grantee's SHOP program. These affiliate organizations must be located within the Grantee's service area.

Grantor Contact Name

Lisa Peoples

Grantor Email Address

RHED@hud.gov

Grantor Contact Phone

1-877-RURAL-26 (1-877-787-2526)

Grantor Email Description

RHED@hud.gov

Link to Additional Information

https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps