

SHOP NOFA

2004

Purpose

- **SHOP stands for the Self-Help Homeownership Opportunity Program.**
- **Funds awarded to national and regional nonprofit organizations and consortia.**
 - **Administer self-help housing programs.**

Program History

- **SHOP began in 1996.**
- **\$190.5 million appropriated to date.**
- **Over 11,000 units completed to date.**
- **Over 3,100 units under construction.**

Program Description

- **SHOP facilitates innovative single and multi-family homeownership opportunities.**
- **Homebuyers' incomes - no greater than 80% of area median.**
- **Housing construction involves labor contributed by homebuyers and volunteers.**

Program Description, cont.

- **Efforts result in decent, safe, and sanitary non-luxury dwellings.**
- **Houses are sold at below-market prices.**

Program Description, cont.

- **Grantees develop a minimum of 30 dwelling units.**
- **Average investment of \$15,000 per dwelling unit.**
- **Grantees expend funds within 2 years.**
 - Except affiliates that develop 5+ units, 3 years.**

Available Funding

- **\$26.8 million for Fiscal Year 2004.**

Eligible Applicants

- **National and regional non-profit organizations and consortia.**

Eligible Applicants – Proof of Nonprofit Status

- An IRS 501(c)(3) or(c)(4) ruling.

Eligible Applicants

- **National and regional non-profit organizations & consortia.**
- **Propose to use a significant amount of SHOP funds in two or more states.**

Eligible Applicants

NEW – Definitions

- **National** – Carries out self-help housing or funds affiliates on a national scope.
- **Regional** – Carries out self-help housing or funds affiliates on a regional scope.

Eligible Applicants – Consortium (national or regional coverage)

- **Two or more nonprofit organizations.**
 - **Located in two or more states.**
 - **Individually--capacity and experience.**
 - **Submit a single integrated application.**
 - **One organization identified as lead entity.**
 - **Consortium agreement.**

Eligible Applicants – Identifying Affiliates

- Local affiliates apply for funding under umbrella of a national or regional organization or consortia.
- May apply for funding from only one organization or consortium, and **must receive funds** from the grantee organization.

Affiliate

Definition.

- A local **public or private** nonprofit self-help housing organization that:
 - Is a subordinate (chapter, local, post, or unit) covered by group IRS 501(c)(3) exemption letter issued to central (national or regional) organization.

Affiliate, cont.

- A local **public or private** nonprofit self-help housing organization that:
 - Has an existing relationship with applicant, or that
 - Has no existing relationship, but
 - Applicant will provide TA and mentoring.

Eligible Activities

- Land acquisition.
- Infrastructure improvements (including removal of environmental hazards).
- Administration (up to 20 percent of grant).

NEW- pre-agreement costs—at own risk.

Ineligible Costs

- **New Construction of dwellings.**
- **Rehabilitation of dwellings.**

Administrative and Cross-Cutting Requirements

- Environmental – 24 CFR part 58 and HUD Notice 01-09.**
- Reporting -- Quarterly and Annual.**
- Uniform Relocation Act and HUD Reform Act , and**
- Other cross-cutting requirements noted in Section VIII.C. of the General Section.**

Submission Threshold Requirements

- **Applicant must :**
 - Be eligible to apply.
 - Have completed 30 units in past 24 months.
 - Leverage funds for construction of units.
 - Develop at least 30 units under grant.
 - Not exceeding average of **\$15,000** per unit.
 - Requiring sweat equity by homebuyer **and volunteer labor.**

Change --Threshold

- Applicant's program must require.
 - Minimum of **100 hours** sweat equity by homebuyer on construction of homebuyer's house.
 - One adult household, **50 hours**.
 - Includes construction training, but not homebuyer counseling and home maintenance training.

Threshold

- **Applicant must**
 - **Serve eligible population under 80 % of median for area.**
 - **NEW -- Define annual income.**
 - Annual Income – 24 CFR 5.609.
 - Annual Income – Census long form.
 - Adjusted Gross Income – IRS form 1040.
 - Applicant's definition of annual income subject to HUD approval.

New – Threshold

- **Applicant's program must**
 - **Involve community participation in which volunteers help construct the dwellings.**
 - **Work performed without promise, expectation, or compensation.**
 - **A homebuyer's work on another's house counts as volunteer labor.**

New-Threshold

- **If you fund affiliate organizations, you must pass SHOP funds through to those organizations.**

New – Threshold

- **DUNS Number.**
 - **Required to receive funding.**
 - **Treated as a technical deficiency.**
 - **Failure to provide – ineligible for funding.**
 - **Refer to General Section, Section III.C(2).**

Threshold – Other

- **Refer to General Section, Section C(b) for program and threshold requirements applicable to all programs in SuperNOFA.**

Eligibility for Selection

- **Address all threshold requirements.**
- **Receive a minimum score of 75 points.**
 - Without bonus points.**

HUD's Selection Process

- Ensures purposes of SHOP are met.
- Less than requested amount may be awarded to achieve:
 - Fair distribution of funds.
 - National geographic diversity.

Points Criteria for Award

**5 Factors:
points** **100**

RC/EZ/EC Bonus: **2 points**

**Total points:
points** **102**

Factors for Award

Factor 1: Capacity (30 points)

Factor 2: Need/Extent of Problem (10 Points)

Factor 3: Soundness of Approach (40 Points)

Factor 4: Leveraging (10 Points)

Factor 5: Achieving Results and Program Evaluation (10 Points)

Factor 1: Capacity (30 points)

- **NEW –Point Threshold**

- **Must receive minimum of 20 points for capacity to be eligible for funding.**

Factor 1: Capacity

- **Extent to which a single applicant or consortium has experience and organizational resources to carry out proposed activities in a timely manner.**

Capacity, cont.

- **Applicants must :**
 - **Describe past experience and demonstrate reasonable success (including individual consortium members).**
 - **Demonstrate experience in providing accessible housing.**

Capacity, cont.

- **Describe management structure.**
 - **Key staff and roles for day-to-day management of SHOP activities.**

Capacity, cont.

- Demonstrate adequate financial control and accounting procedures.**
 - Meet 24 CFR Part 84.21, Standards for Financial Management Systems.**
 - Should include recent audit.**

Capacity, cont.

Pre-Award Survey.

- No prior federal funding.
- Fails to meet federal financial management standards.
- Considered high risk based upon past performance or financial management findings.

Capacity, cont.

New

Performance Measures

- Performance in the most recent three years.
- De-obligation of prior SHOP funds.

Factor 2: Need/Extent of Problem (10 points)

Extent to which applicant identifies urgent need or SHOP funds in proposed target areas.

- Extent of Need.**
- Quality of Documentation.**

Need/Extent of Problem, cont.

Extent of Need

- **Address need for acquisition and /or infrastructure assistance in the target areas.**
- **If affiliates selected after application to HUD, provide a listing of affiliates surveyed and locations, which are the basis for your funding request and criteria to select communities or projects based on need.**

Need/Extent of Problem, cont.

- **Documentation of Need**
 - **Data on housing market in the proposed target areas.**
 - **Data on housing problems in proposed target areas.**

Factor 3: Soundness of Approach (40 points)

- **Proposed use of SHOP funds.**
- **Sweat equity requirements.**
- **Schedule for expending funds, constructing and completing units.**
- **Budget.**
- **Outreach and homebuyer selection.**
- **Performance and monitoring.**

Soundness of Approach, cont.

NEW—Sweat Equity.

- **Applicants showing a larger reduction of the sale price as a result of the homebuyer's sweat equity and volunteer labor contributions will receive a higher score.**

Soundness of Approach, cont.

- **New** – Define Substantially fulfilled.
 - Percentage or number of properties proposed to be completed and conveyed to homebuyers at the time all funds are expended.

Soundness of Approach, cont.

- **Other suggested milestones.**
 - **Selecting affiliates.**
 - **Environmental review approval.**
 - **Acquiring properties.**
 - **Completing site improvements.**
 - **Starting and completing construction.**
 - **Transferring properties to homebuyers**

Soundness of Approach, cont.

Funds Expended

- **Grantees/consortium members = 24 months regardless number of properties to complete.**
- **Affiliates – 1 to 4 properties = 24 months.**
Affiliates – 5 or more properties = 36 months.
- **Set up of grantee's line of credit starts the timeline for expending funds.**

Soundness of Approach, cont.

Budget

CHANGE.

- **Revised New HUD 424CB - Grant Application Detailed Budget.**
 - **Budget summary.**
 - **Years 1, 2, and 3.**
 - **Must cover all costs.**

Soundness of Approach, cont.

CHANGE

- **Four Departmental Policy Priorities.**
 - **Increasing homeownership - 1 point.**
 - **Encouraging accessible design – 1 point.**
 - **Providing access to faith-based/community-based organizations – 1 point.**
 - **Removal of regulatory barriers – 2 points.**

Factor 4: Leveraging Resources (10 points)

- **Ability to secure other resources for the completion of housing units and to show that leveraging is in place at time of application.**
- **Firm written commitment — An agreement under which the applicant, contributing partners/entities agree to perform services or provide resources for an activity specified in your application.**

Leveraging, cont.

- **Must have commitments that contain:**
 - **Applicant's name, donating entity's name, dollar amount and nature of commitment, and signature of person in organization (federal, state, local or private source) authorized to make the commitment.**
 - **May be contingent upon receiving a FY 2004 SHOP grant award.**

Leveraging, cont.

NEW

- **Fundraising or donations – a letter separate from SF-424 and narrative.**
- **Other uncommitted resources – if you have sole discretion to commit the funds, a letter separate from the SF-424 and narrative.**
- **Mere mention of resources in Factor 4 or elsewhere in application will not count.**

Leveraging, cont.

- **Full credit.**
 - Must be clearly identified for your FY 2004 application or for specific projects in your application, and

NEW

- Total at least 50 percent of the amount needed to complete all properties, minus the proposed SHOP grant, homebuyer sweat equity, and volunteer labor.

Factor 5: Achieving Results and Program Evaluation (10 points)

- **Applicants are required to develop an effective, quantifiable, outcome-oriented Program Evaluation Plan to measure performance.**
 - **Outputs and outcomes**
 - **Logic Model, form HUD-96010.**

Achieving Results and Program Evaluation, cont.

- **Using Logic Model, form HUD 96010, your Plan will identify**
 - **Output and outcome goals.**
 - **What you will measure.**
 - **Interim benchmarks, outputs and outcomes.**

Results should be in actual numbers and percentages of the goal achieved.

Achieving Results and Program Evaluation, cont.

- **Definitions:**
 - outputs –direct products of SHOP funding, e.g. # of units constructed or rehabilitated, # of sweat equity hours.**
 - outcomes –benefits accruing to homebuyer and/or community during or after participation in the SHOP program.**

Achieving Results and Program Evaluation, cont.

- **Evaluation Plan also needs:**
 - **Process for measuring performance of consortium and affiliates.**
 - **Steps to adjust Plan if and when targets are not met.**

Application Tips

- Review both SHOP and General Sections of SuperNOFA.
- Review application against threshold and eligibility requirements, rating factors, and application checklist.
- Re-check narrative submission requirements to be sure all elements are addressed.

Application Tips, cont.

- **Observe page limits and assembly format.**
- **Application must stand on its own. Do not rely on information submitted in past applications.**
- **Don't rely on reviewer being knowledgeable of your organization—this cannot be considered in scoring of application.**

Application Tips, cont.

- **Complete applicable forms.**
- **Sign and date all forms and certifications.**
- **Suggest applicant organize application by order of Application Checklist.**
- **Submit one original and two copies to HUD Headquarters address.**

Application Forms

- **Standards Forms follow General Section of the SuperNOFA**
(<http://www.hud.gov/grants>)
- **Copies -- HUD's NOFA Information Center: 1-800-HUD-8929**
- **Hearing impaired call the Center's TTY number at 1-800-HUD-2209**

Application Due Date

July 20, 2004

HUD Headquarters

Room 7251

Mailing Procedures

- **United States Postal Service.**
- **If courier use:**
 - **DHL.**
 - **Falcon Carrier.**
 - **Federal Express (FedEx).**
 - **United States Parcel Service (UPS).**
- **Hand deliveries permitted.**
- **No facsimiles.**

Mailing Procedures, cont.

- **Mailed application are timely**
 - **if received on or before due date.**
 - **postmarked on or before midnight of due date.**
 - **received within 15 days of due date.**

Program Contact

**Lou Thompson, SHOP Program
Manager**

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202-708-2684 (not toll-free)

Hearing impaired: 1-800-877-8339

Wrap-up

- **Application Due Date**
 - July 20, 2004
 - HUD Headquarters, Room 7251
- **Program Contact**
 - Lou Thompson, SHOP Program Manager
 - Email: Louise_D._Thompson@hud.gov
 - Phone: 202-708-2684 (not toll-free)
 - Hearing impaired: 1-800-877-8339