

# Rural Gateway Peer-to-Peer Web Conference:

## *Self-Help Homeownership Opportunity Program FY2021*

### *Notice of Funding Opportunity*

8-2-2021

#### **Purpose:**

- The Self-Help Homeownership Opportunity Program (SHOP) is authorized by the Housing Opportunity Program Extension Act of 1996, Section 11, and is subject to other federal crosscutting requirements. No separate program regulations exist. All program requirements are listed in the applicable SHOP Notice of Funding Opportunity (NOFO).
- The SHOP program 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.

#### **Funding:**

- HUD is making \$10,000,000 of FY2021 Self-Help Homeownership Opportunity Program (SHOP) grant funds available to national and regional non-profit organizations and consortia.

#### **Funding Details:**

- Up to \$ 10 million awarded competitively
- Approximately 4 awards
- Minimum Award amounts = \$1,145,000
- 36-month award period

#### **Eligible Applicants:**

- Applicants eligible for the SHOP program are nonprofit organizations having a 501(c)(3) or 501(c)(4) status with the IRS, other than institutions of higher education.
- Eligible applicants also 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.
- National and regional nonprofit organizations or consortia with experience in using homebuyer and volunteer labor to build housing may apply for SHOP grants.

## **Eligible Activities:**

- SHOP grant funds can only be used for land acquisition, infrastructure improvements, and administrative costs.
- Land acquisition and infrastructure improvement costs cannot exceed an average of \$15,000 in SHOP assistance per unit.
- Administrative costs cannot exceed 20 percent of the SHOP grant amount. SHOP grantees must leverage other funds for the new construction or rehabilitation of their SHOP units.
- SHOP funds must be used for eligible expenses to develop decent, safe, and sanitary non-luxury housing for low-income persons and families who otherwise would not be able to afford to become homeowners.

## **Beneficiaries:**

- 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 area median income (AMI), as established by HUD with adjustments for household size.

## **Shop Service Areas:**

The SHOP scope of service includes:

- National
- Regional
- Consortia

## **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.
- 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).

## **Rating Factor 1 – Relevant Organizational Experience:**

**30 Points** - Applicant will be evaluated on:

- Past Performance
- Organizational Structure
- Self-Help Homeownership Housing Experience
- Relevancy of Experience

## **Rating Factor 2 - Need and Extent of the Problem:**

**4 Points** – Applicant will be Evaluated on:

- Demonstrating need for self-help homeownership housing in proposed service areas
  - National or Regional applicants must use state or national-level data to demonstrate the need for affordable homeownership housing
- Extent of need for SHOP funds

## **Rating Factor 3 – Soundness of Approach:**

**38 Points** – Applicant will be evaluated on:

- Project Feasibility
- Affordable and Sustainable Homeownership
- Sweat Equity Contribution and Valuation
- SHOP Grant Schedule
- Training and Technical Assistance
- SHOP Budget
- Employment Opportunities

## **Rating Factor 4 – Leveraging Resources:**

**10 Point** – Applicant will be evaluated on:

- Previous success in leveraging funds for self-help homeownership housing program funds during the most recent five-year period
- The total dollar value of the leveraged resources firmly committed at time of SHOP application
- Letters of firm commitment requirement

## **Rating Factor 5 - Achieving Results and Program Evaluation:**

**16 Points** – Applicant will be evaluated on:

- Monitoring Plan
- Ongoing and Distance Monitoring
- Onsite Monitoring
- Evaluation Plan

## **Other Factors – Section 3:**

**2 Points:**

- The inclusion of points or bonus points will be determined “as appropriate for the specific NOFO.” HUD anticipates that program offices/areas will include scoring for Section 3 plans where relevant and exclude Section 3 scoring where the nature of the grant being awarded is incompatible with Section 3 endeavors.
- If points or bonus points are included, the applicable program office/area will be responsible for determining how the “quality of Section 3 plans” will be evaluated.

## **Preference Points:**

**2 Points:**

- HUD encourages activities in support of the Secretary's Initiatives. HUD may award no more than two (2) points for any of the three (3) preferences: Opportunity Zone (OZ), Promise Zone (PZ), or Historically Black Colleges and Universities (HBCUs).
- Only one preference will apply. Applicants will ONLY be awarded a maximum of 2 points for being within an OZ, PZ, or involving HBCUs.

## **Application & Submission:**

- Download application and instructions from Grants.gov
- Verify download of correct application package
- Application deadline is 11:59:59 pm Eastern Time August 23, 2021
- Changes can be made before deadline
- Application must be validated by Grants.gov
- Submit application at least 48 hours before the deadline
- [support@grants.gov](mailto:support@grants.gov) or 1-800-518-4726

## **HUD's Office of Rural Housing and Economic Development (ORHED) Staff Contacts:**

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