

(ii) A local self-help housing organization with which the applicant has an existing relationship, *e.g.*, the applicant has provided technical assistance or funding to the local self-help housing organization; or

(iii) A local self-help housing organization with which the applicant does not have an existing relationship, but to which the applicant will provide necessary technical assistance and mentoring as part of funding under the application.

Your application may not propose to fund any affiliate or consortium member that is also included in another SHOP application. You must ensure that any affiliate or consortium member under your FY 2003 application is not also seeking funding from another SHOP applicant for FY 2003 funds. If they apply under more than one national or regional organization or consortium, they may be disqualified for any funding.

(C) *Eligible Activities.* The only eligible activities are:

(1) Land acquisition (including financing and closing costs), which may include reimbursing an organization, consortium, or affiliate, upon approval of any required environmental review, for non-grant amounts of the organization, consortium, or affiliate advanced to acquire land before completion of the review;

(2) Infrastructure improvements (installing, extending, constructing, rehabilitating, or otherwise improving utilities and other infrastructure, including removal of environmental hazards); and

(3) Administration, planning and management development shall not exceed 20 percent of any SHOP grant. Administrative costs are the costs of general management, oversight and coordination of the SHOP grant; staff and overhead costs of the SHOP grant; costs of providing information to the public about the SHOP grant; cost of affirmatively furthering fair housing; and indirect costs (such as rent and utilities) of the grantee or affiliate in carrying out the SHOP activities. Indirect costs may only be charged to the SHOP grant under a cost allocation plan prepared in accordance with OMB Circular A-122. Funds may be used for both single-family and multifamily dwellings.

(D) *Ineligible Costs:* Costs associated with the rehabilitation, improvement, or construction of dwellings are not eligible uses of program funds.

IV. Program Requirements

In addition to the statutory, regulatory, threshold and public policy

requirements listed in Section V of the General Section of this SuperNOFA, each applicant must meet and comply with the following SHOP statutory, threshold, and other program requirements:

(A) *Threshold Requirements*

(1) You, the applicant, must be eligible to apply under SHOP (see Section III(B) of this program section of the SuperNOFA).

(2) The amount of funding you request must support no less than 30 self-help units and may not exceed an average investment of \$10,000 per unit in SHOP funding.

(3) The population you plan to serve must be eligible under SHOP. Eligible homebuyers are low-income individuals and families (*i.e.*, those whose incomes do not exceed 80 percent of the median income for the area, as established by HUD).

(4) You must demonstrate that you have successfully completed at least 30 self-help homeownership units within a national or regional area in which the homebuyers contributed a significant amount of sweat-equity, and, if your program permitted it, volunteer labor was used toward the construction of the dwellings within the 24-month period immediately preceding the publication of this SuperNOFA.

(5) Your program must require homebuyers to contribute a minimum of 200 hours of sweat equity on the construction of their own homes. This excludes the contribution of volunteer labor, except for assistance for homebuyers with disabilities.

Submission Threshold Requirements

(1) Evidence of your public or private non-profit status, such as a copy of a current Internal Revenue Service ruling that your organization is exempt from taxation under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986. Where an IRS ruling is unavailable, you may submit a certified copy of your approved charter, articles of incorporation or bylaws demonstrating that you are established as a nonprofit organization under state law. If you are a consortium, each participant in your consortium must be a nonprofit organization. Each consortium member must submit evidence of its nonprofit status to the lead entity for inclusion in the consortium's application package.

Threshold requirements (2) through (5) require no separate submissions. In order for the application to be rated and ranked, these requirements must be addressed under the submission requirements for the rating factors listed

in Section V(D) of this program section of this SHOP NOFA below.

(B) *Statutory and Program Requirements.* This program does not have regulations. You must comply with all statutory requirements applicable to the SHOP program as cited in Section X, Authority, of this SHOP program section and program requirements cited in this program section of the SuperNOFA. Pursuant to these requirements, you must:

(1) Develop, through significant amounts of sweat-equity by each homebuyer and any additional volunteer labor, at least 30 dwelling units at an average cost of no more than \$10,000 per unit in SHOP funds for land acquisition and infrastructure improvements;

(2) Use your grant to leverage other sources of funding, including private or other public funds, to complete construction of the housing units;

(3) Develop quality dwellings that comply with local building and safety codes and standards, that will be made available to homebuyers at prices below the prevailing market price;

(4) Schedule activities to expend all grant funds awarded and substantially fulfill your obligations under your grant agreement, including timely development of the appropriate number of dwelling units. Grant funds must be expended within 24 months of the date that grant funds are first made available for drawdown under a line of credit established by HUD for the Grantee, except that grant funds provided to affiliates that develop five or more units must be expended within 36 months; and

(5) Not require a homebuyer to make an up-front financial contribution to a unit other than cash contributed for down payment or closing costs at the time of acquisition.

V. Application Selection Process

(A) *Rating.* HUD will review all applications in accordance with the Application Selection Process in Section VI of the General Section of this SuperNOFA and in this SHOP program section of the SuperNOFA. HUD will review all applications based on the threshold factors listed in Section IV of this program section. Applications that meet all threshold requirements will be rated according to the selection factors in this program section of the SuperNOFA. Applications that do not meet all threshold factors will be rejected and not rated.

(B) *Ranking and Selection Procedures.* Applications that receive a total rating of 75 points or more (without the addition of Empowerment Zones/