



HUD NEWS

U.S. Department of Housing and Urban Development – Shaun Donovan, Secretary
Office of Public Affairs, Washington, DC 20410

CONTACT

John E. Hall
202-275-6291

<http://www.hud.gov/news/index.cfm>

FOR RELEASE

Thursday
February 25, 2010

HUD ANNOUNCES \$9.1 MILLION IN “SWEAT-EQUITY” GRANTS TO THE DISTRICT OF COLUMBIA

WASHINGTON - The U.S. Department of Housing and Urban Development today awarded \$9.1 million in "sweat equity" grants to the Housing Assistance Council in the District of Columbia to produce affordable homes for low income individuals and families. Funded through [HUD's Self-Help Homeownership Opportunity Program \(SHOP\)](#), the funding awarded today, along with the labor contributed by these households, will significantly lower the cost of homeownership.

"These families will become homeowners not only because of our grants, but because they've devoted their own sweat and labor to their American Dream," said Mercedes M. Márquez, HUD's Assistant Secretary for Community Planning and Development. "Our job is to support sustainable homeownership and these self-help programs do exactly that."

SHOP grants will be provided to national and regional nonprofit organizations and consortia that have experience in administering self-help housing programs. The funds must be used to purchase land and install or improve infrastructure, which together may not exceed an average investment of \$15,000 per dwelling. Grantees may carry out activities directly and/or propose to distribute SHOP funds to local nonprofit affiliates that will acquire and prepare the land for construction, select homebuyers, coordinate the homebuyer sweat equity and volunteer efforts, and assist in the arrangement of interim and permanent financing for the homebuyers.

Homebuyers must contribute a minimum of 100 hours of sweat equity on the construction of their homes and/or the homes of other homebuyers participating in the local self-help housing program. Self-help housing or sweat equity involves the homebuyer's participation in the construction of the housing, which can include, but is not limited to, assisting in the painting, carpentry, trim work, drywall, roofing and siding for the housing. All newly constructed units must receive certification as an ENERGY STAR Qualified New Home and all appliances and products or features which are replaced in rehabilitated units must be ENERGY STAR qualified.

Labor contributed by volunteers also helps buyers who are unable to perform their sweat equity tasks due to disabilities.. The sweat equity and labor contributions by the homebuyers and volunteers significantly reduce the cost of the housing.

###

HUD is the nation's housing agency committed to sustaining homeownership; creating affordable housing opportunities for low-income Americans; and supporting the homeless, elderly, people with disabilities and people living with AIDS. The Department also promotes economic and community development and enforces the nation's fair housing laws. More information about HUD and its programs is available on the Internet at www.hud.gov and espanol.hud.gov.

Fiscal Year 2009 SHOP Grantee in the District of Columbia

The Housing Assistance Council (HAC) is a national nonprofit organization that will use SHOP funds in primarily rural areas to facilitate and encourage innovative homeownership opportunities through the provision of self-help housing. These funds will be used for land acquisition and infrastructure improvements that support new construction and rehabilitation. A portion of the SHOP award will be used for administration of the grant. To achieve a national distribution of funds, local self-help housing affiliate organizations from five service regions will compete for SHOP funding from HAC. Completed housing units will be sold to low-income homebuyers who contribute a significant amount of sweat equity, in addition to other volunteer labor, toward the construction of their own homes and the homes of other families participating in the program. Affiliates will construct either single-family and/or multifamily homes in the form of fee simple ownership. HAC will produce a minimum of 530 housing units. For more information, contact Moises Loza at 202-842-8600.