

## **SHOP Eligible Expenses**

1. Land acquisition. – **Costs associated with the actual Acquisition of land (as outlined in the HUD-1 Settlement Statement)**, which may include reimbursing an affiliate, upon approval of any required environmental review, for non-grant amounts of the affiliate advanced before such review to acquire land. If you believe that you have eligible Land acquisition costs that are not outlined in the HUD-1 Settlement Statement, but are listed below, please contact Community Frameworks. The following costs are eligible

- Land Acquisition (contract purchase price)
- Appraisal
- Legal Expense for Acquisition
- Cost to finance purchase of land
- Acquisition Closing Costs
- Items required by a lender to be paid to third parties (only amount due and paid at closing are eligible expenses)
- Other charges when incurred in direct connection with the land acquisition
- Land Acquisition Reimbursement
  - Upon NEPA Approval
  - For non-grant amounts advanced
  - When original financing is through a loan, SHOP funds will be used to pay-down the loan – the principle and interest.

2. Infrastructure Improvements -Infrastructure improvements paid for with SHOP funds can include the installation, extension, construction, rehabilitation, or improvement of utilities and other site improvements. This includes the removal of environmental hazards. Eligible infrastructure improvements must be on-site. When an entire subdivision is under development, these improvements can include roads, water mains, street improvements, lights, sidewalks, and other shared infrastructure, provided the property is owned by the nonprofit organization implementing SHOP. The improved property must then be transferred to the homebuyers, except in the case when the land is held in a Community Land Trust. No SHOP funds can be invested in property that is publicly owned.

Lien Waivers are required. If you believe that you have eligible infrastructure improvement costs that are not listed in the following, please contact Community Frameworks. The following costs are eligible:

- Wells and Waste disposal systems, including sewer and septic
- Utility Hook-ups and Connections, including water, electric, gas, and sewage lines
- Streets/Streetlights/Curbs/Roads/Sidewalks
- Impact/Tap and Building Fees
- Engineering Fees
- Surveys
- Removal of Environmental Hazard including testing and site preparation, including, grading, razing, de-leading, hazardous waste clean-up and other environmental cleanup costs.
- Legal Expense for Site Development
- Infrastructure Expense Reimbursement
  - When original financing is through a loan, SHOP funds will be used to pay-down the loan – the principle, but not the interest (interest is not eligible).

**SHOP Ineligible Expenses** *include but are not limited to the following:*

- *Any costs for the rehabilitation, improvement, or construction of dwellings*
- *Environmental cost (the environmental review and/or assessment) are considered as administrative costs and are therefore not eligible expenses. As Community Frameworks does not offer administrative funding to its affiliates, Community Frameworks SHOP funds cannot be utilized to pay for any costs associated with the environmental review, including environmental studies, inspections, and the testing of properties for hazards.*