

(2) Fair housing enforcement organizations with at least 1 year of experience in complaint intake, complaint investigation, testing for fair housing violations and enforcement of meritorious claims. For the purpose of meeting this 1 year qualification period, it is not necessary that the activities were conducted simultaneously, as long as each activity was conducted for 1 year. It is also not necessary for the activities to have been conducted for a continuous year. An organization may aggregate its experience in each activity over the 2-year period preceding its application to meet this 1 year qualification period requirement.

§ 125.501 Fair Housing Organizations Initiative.

(a) The Fair Housing Organizations Initiative of the FHIP provides funding to develop or expand the ability of existing eligible organizations to provide fair housing enforcement, and to establish, on a single-year or multi-year basis contingent upon annual performance reviews and annual appropriations, new fair housing enforcement organizations.

(b) *Continued development of existing organizations*—(1) *Eligible applicants.* Eligible for funding under this component of the Fair Housing Organizations Initiative are:

(i) Qualified fair housing enforcement organizations;

(ii) Fair housing enforcement organizations; and

(iii) Nonprofit groups organizing to build their capacity to provide fair housing enforcement.

(2) *Operating budget limitation.* (i) Funding under this component of the Fair Housing Organizations Initiative may not be used to provide more than 50 percent of the operating budget of a recipient organization for any one year.

(ii) For purposes of the limitation in this paragraph, *operating budget* means the applicant's total planned budget expenditures from all sources, including the value of in-kind and monetary contributions, in the year for which funding is sought.

(c) *Establishing new organizations*—(1) *Eligible applicants.* Eligible for funding under this component of the Fair Housing Organizations Initiative are:

(i) Qualified fair housing enforcement organizations;

(ii) Fair housing enforcement organizations; and

(iii) Organizations with at least three years of experience in complaint intake, complaint investigation, and enforcement of meritorious claims involving the use of testing evidence.

(2) *Targeted areas.* FHIP Notices of Funding Availability may identify target areas of the country that may receive priority for funding under this component of the Fair Housing Organizations Initiative. An applicant may also seek funding to establish a new organization in a locality not identified as a target area, but in such a case, the applicant must submit sufficient evidence to establish the proposed area as being currently underserved by fair housing enforcement organizations or as containing large concentrations of protected classes.