

04 NCAC 19L .0403 SIZE AND USE OF GRANTS MADE TO RECIPIENTS

(a) There is no minimum grant amount which applicants may request or be awarded. Grant awards made to any one recipient shall not exceed the following amount in each grant category: Community Revitalization: Concentrated Needs subcategory - seven hundred thousand dollars (\$700,000), Infrastructure category - eight hundred fifty thousand dollars (\$850,000), and Scattered Site Housing category - four hundred thousand dollars (\$400,000) Housing Development - two hundred fifty thousand dollars (\$250,000); Urgent Needs - six hundred thousand dollars (\$600,000); Contingency - six hundred thousand dollars (\$600,000). Applicants shall not have a project or combination of projects under active consideration for funding which exceeds one million two hundred fifty thousand dollars (\$1,250,000), except for Urgent Needs projects, Demonstration projects, Capacity Building, and Scattered Site Housing. Applicants in the Community Revitalization category shall choose to apply for either a Concentrated Needs award, or a Revitalization Strategy award.

(b) No local government may receive more than a total of one million two hundred fifty thousand dollars (\$1,250,000) in CDBG funds in the period that the state distributes its annual HUD allocation of CDBG funds; except that local governments may also receive up to six hundred thousand dollars (\$600,000) for a project that addresses Urgent Needs and funds for one demonstration project in addition to other grants awarded during the same time period.

(c) Concentrated Needs subcategory applicants may spend a portion of their total grant amount to finance local option activities. Up to 15 percent may be spent on eligible activities which do not need to be directly related to proposed projects. Job creation activities are not eligible local option activities. Local option activities shall not be competitively rated by the Division, but may be limited to specific eligible activities. Each local option project must show that:

- (1) At least fifty-one percent of the CDBG funds proposed for each activity will benefit low- and moderate-income persons, except that CDBG funds may be used for acquisition, disposition, or clearance of vacant units to address the national objective of prevention or elimination of slums or blight; and
- (2) CDBG funds proposed for each activity will address the national objective of benefiting low- and moderate-income persons, or aid in the prevention or elimination of slums or blight.

(d) The Division may review grant requests to determine the reasonableness and appropriateness of all proposed administrative and planning costs. Notwithstanding Rule .0910 of this Subchapter, grantees may not increase their approved planning and administrative budgets without prior Division approval. In no case, may applicants budget and expend more than 18 percent of the sum of funds requested and program income for administrative and planning activities for each project, except that demonstration funds may be awarded for projects limited to planning activities only in which case all funds will be spent for planning and administration.

(e) Applicants may spend CDBG funds in those areas in which the applicant has the legal authority to undertake project activities.

(f) Grants to specific recipients shall be provided in amounts commensurate with the size of the applicant's program. In determining appropriate grant amounts for each applicant, the Division may consider an applicant's need, proposed activities, all proposed administrative and planning costs, and ability to carry out the proposed activities.

History Note: Authority G.S. 143B-10; 143B-431; 24 C.F.R. 570.483; 42 U.S.C. 5301; Eff. July 1, 1982; Amended Eff. August 1, 1998; February 1, 1996; March 1, 1995; June 1, 1994; June 1, 1993; June 1, 1992; Temporary Amendment Eff. January 1, 2001; Amended Eff. August 1, 2002; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. March 6, 2018.