

#### **04 NCAC 19L .0502 ELIGIBILITY REQUIREMENTS**

(a) Applications for concentrated needs subcategory funds must show that:

- (1) At least 51 percent of the CDBG funds proposed for each project shall benefit low- and moderate-income persons, except that CDBG funds proposed for local option activities 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 shall meet a national objective as specified in HUD regulations previously incorporated by reference, except that funds shall not be used to meet the national objective of urgent need which is covered by Rule .0801 of this Subchapter.

Applications that do not meet these eligibility requirements shall not be rated or funded. In designing projects which meet these requirements, applicants must ensure that activities do not benefit moderate-income persons to the exclusion of low-income persons.

(b) Applicants for Revitalization Strategies subcategory funds must show that:

- (1) the defined area has at least 25% poverty as determined in the most recent decennial census and defined in HUD CPD NOTICE 97-01 paragraph D section 2 third bullet as all of census tracts/block numbering areas in the area have at least a 20% poverty rate, and at least 90% of them have at least a 25% poverty rate; and the area is primarily residential.
- (2) CDBG funds proposed for acquisition, clearance, and disposition of vacant units shall address a national objective of preventing or eliminating slums or blight.

(c) Applicants shall have the capacity to administer a CDBG program. The Division may examine the following areas to determine capacity:

- (1) audit and monitoring findings on previously funded Community Development Block Grant programs, and the applicant's fiscal accountability as demonstrated in other state or federal programs or local government financial reports; and
- (2) the rate of expenditure of funds and accomplishments in previously funded CDBG programs. Applicants that show a lack of capacity shall not be rated or funded.

*History Note: Authority G.S. 143B-10; 143B-431; 42 U.S.C.A. 5301; 24 C.F.R. 570.483; Eff. July 1, 1982; Amended Eff. August 1, 1998; March 1, 1995; June 1, 1994; June 1, 1993; September 1, 1990; 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.*