§ 570.488  Displacement, relocation, acquisition, and replacement of housing.

The requirements for States and state recipients with regard to the displacement, relocation, acquisition, and replacement of housing are in §570.606 and 24 CFR part 42.

[61 FR 11477, Mar. 20, 1996]

§ 570.489  Program administrative requirements.

(a) Administrative and planning costs—

(i) State administrative costs. The state is responsible for the administration of all CDBG funds. The state shall pay from its own resources all administrative costs incurred by the state in carrying out its responsibilities under this subpart, except that the state may use CDBG funds to pay such costs in an amount not to exceed $100,000 plus 50 percent of such costs in excess of $100,000. States are therefore required to match such costs in excess of $100,000 on a dollar for dollar basis. The amount of CDBG funds used to pay such costs in excess of $100,000 shall not exceed 2 percent of the aggregate of the state’s annual grant, program income received by units of general local government (whether retained by the unit of general local government or paid to the State) and funds reallocated by HUD to the state.

(ii) For determining the amount of CDBG funds available in past years for administrative costs incurred by the state, the following schedule applies:

(A) $100,000 per annual grant beginning with FY 1984 allocations;

(B) Two percent of program income returned by units of general local government to the State after August 21, 1985; and

(C) Two percent of program income received by units of general local government after February 11, 1991.

(iii) The state has the option of selecting its approach for demonstrating compliance with this requirement. Regardless of the approach selected by the state, the state will be required to pay its 50 percent of administrative costs in excess of $100,000 in the same amount and at the same time at which it draws CDBG funds for such costs after the expenditure of the $100,000. Any state for which it is determined...