

Subpart A—Standards for Designation of Redevelopment Areas Under and Subject to Section 401(a) of the Act

§ 301.1 Designation on the basis of unemployment.

On the basis of labor force data on unemployment supplied by the Secretary of Labor, EDA shall designate such redevelopment areas in accordance with section 401(a) of the Act.

§ 301.2 Designation on the basis of loss of population.

Such designation shall be made in accordance with section 401(a) of the Act, 42 U.S.C. 3161.

§ 301.3 Designation on the basis of median family income.

Such designation shall be made in accordance with section 401(a) of the Act.

§ 301.4 Designation on the basis of American Indian lands.

(a) EDA shall designate as Redevelopment Areas those American Indian reservations, American Indian trust land areas, and restricted American Indian-owned land areas, including Alaskan Native Villages, which manifest the greatest degree of economic distress.

(1) American Indian reservations shall consist of land areas which by official Federal or State action or recognition have been reserved for the use and benefit of a specific American Indian tribe or tribes, and shall include those lands to which the Federal or State Government retains title and may include tribally-owned lands, lands allotted to individual tribal members, and interspersed land belonging to non-American Indians.

(2) American Indian trust land areas shall consist of land areas held in trust by or under the authority of Federal or State Government for use and occupancy by American Indians.

(3) Restricted American Indian-owned land areas shall consist of land areas owned by American Indian tribes, but subject to restrictions on alienation or use imposed by Federal or State Governments.

(b) EDA shall make such designations of Redevelopment Areas upon consultation with the Secretary of In-

terior or an appropriate State agency and on the basis of unemployment and income statistics and other appropriate evidence of economic underdevelopment.

(c) EDA, upon consultation with the Secretary of Interior or an appropriate State agency, may designate uninhabited Federal or State American Indian reservations or trust or restricted American Indian-owned land areas where such designation would permit assistance to American Indian tribes, with a direct beneficial effect on the economic well-being of American Indians.

(d) When the determination of economic distress pertains to land areas that are not contiguous, it must be shown that there is a clear economic connection justifying the inclusion of the noncontiguous land areas that will contribute to a more effective economic development program for the area.

[60 FR 49678, Sept. 26, 1995, as amended at 61 FR 7982, Mar. 1, 1996]

§ 301.5 Designation on the basis of sudden rise in unemployment.

Such designation can be made under the Act when the following conditions are met:

(a) Where the loss, removal, curtailment, or closing of the major source of employment has occurred provided that:

(1) The major source of employment shall be construed as a single firm or industry; or

(2) Job losses in more than a single firm or in more than in a single industry may be considered in the aggregate where:

(i) There is a clear demonstrable economic connection between or among the firms or industries; or

(ii) More than one firm or industry has been affected by a common disaster.

(3) A major source of employment is when its loss, removal, curtailment, or closing has caused or can reasonably be expected to cause:

(i) An increase of 500 or more of unemployed persons in the area; or

(ii) An increase of 2 percentage points or more in the area's unemployment

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rate, based on the relationship of actual or expected additional unemployed to the number of persons in the area's labor force.

(b) Where there is an actual or threatened closing of a major source of employment within 3 years after the date of the area's request provided that:

(1) The rise in unemployment must be shown to be unusual or unique for the area, the industry, and the time of year; and

(2) Such rise must have occurred or be reasonably expected to occur during a 1-year period within the qualifying span of 3 years before to 3 years after the date of the request for designation.

(c) The area's unemployment rate can reasonably be expected to exceed the national average by 50 percent or more, except for those job-loss situations in which it is public knowledge that the jobs lost were or will be of a type in such great demand that the persons laid off were or will be readily reemployable.

(d) Areas designated under this section are allowed a reasonable time after designation to submit an acceptable OEDP to EDA. An area designated under this section which does not have an approved OEDP is not eligible for financial assistance under Title I of the Act.

§301.6 Designation of public works impact program areas.

(a) EDA shall designate communities or neighborhoods defined without regard to political or other subdivisions or boundaries as a public works impact program (PWIP) area, when it determines one of the following conditions have been met by the defined area in its entirety.

(1) A large concentration of low income persons. This includes:

(i) An area selected for assistance under the Community Economic Development Act of 1981, as amended (42 U.S.C. 9815), Title VI, Chapter 8, Subchapter A of the Omnibus Budget Reconciliation Act of 1981 (Pub. L. 97-35); or

(ii) An area in which the majority of the families are living in poverty, as defined by the U.S. Department of Health and Human Services guidelines,

as published each year in the FEDERAL REGISTER.

(2) Rural areas having substantial outmigration. This includes an area which has experienced a minimum outmigration rate of at least 25 percent during the period from the beginning to the end of the most recent 10-year census period for which data is available.

(3) Substantial unemployment as established by an annual average unemployment rate of 8.5 percent or more during the most recent quarter for which such data is available.

(4) An actual or threatened abrupt rise of unemployment due to the closing or curtailment of a major source of employment. The area must meet the qualifications as set forth in §301.5 (a) through (c). Although no boundary constraints, as set forth in §301.13, shall apply, the area for which designation is sought must be one for which EDA can obtain data establishing its eligibility for designation.

(b) No PWIP area designated under this section shall be eligible to be considered a redevelopment area for the purposes of district designation.

[60 FR 49679, Sept. 26, 1995, as amended at 61 FR 15371, Apr. 8, 1996]

§301.7 Designation of special impact areas.

EDA shall designate special impact areas where:

(a) One of the following criteria have been met:

(1) There are large concentration of low-income persons. This includes:

(i) An area presently selected for assistance by the Department of Health and Human Services under the Community Economic Development Act of 1981, as amended (42 U.S.C. 9815), (Title VI, Chapter 8, Subchapter A of the Omnibus Budget Reconciliation Act of 1981 (Pub. L. 97-35)); or

(ii) An area in which a majority of the families are living in poverty as defined by the Department of Health and Human Services guidelines as published each year in the FEDERAL REGISTER.

(2) Rural areas having substantial outmigration. This includes any area which has experienced a minimum outmigration rate of at least 25 percent