

(5) The local share must not be encumbered in any way that would preclude its use consistent with the requirements of the grant.

[60 FR 49678, Sept. 26, 1995, as amended at 61 FR 7983, Mar. 1, 1996]

Subpart B—Supplementary and Overrun Grants

§305.8 Supplementary grants.

(a) In the case of projects for which EDA supplements direct grants of

other Federal agencies, the total Federal funding may be up to 80 percent of the project's costs (except as allowed by paragraph (b) (1), (2) or (3) of this section).

(b) Based upon the kind of project, the severity of distress factors and revenue above and beyond the amount needed to amortize the local share, supplemental grants in excess of 50% may be awarded by EDA in accordance with the following Table:

Projects	Maximum grant rates (percent)
(1) Projects of American Indian Tribes which are concerned with general economic development will be given special consideration, and the Assistant Secretary may reduce or waive the non-Federal share for such projects	100
(2) Projects located in redevelopment areas designated under section 401(a)(6) of the act, applied for by States or political subdivision thereof which have demonstrated they have exhausted their effective taxing and borrowing capacity	100
(3) Projects located in redevelopment areas designated under section 401(a)(6) of the Act applied for by community development corporations (as defined in 13 CFR 300.2) which have demonstrated they have exhausted their effective borrowing capacity	100
(4) Projects located in redevelopment areas designated under section 401(a)(6) of the Act as special impact areas and which were not designated under section 401(a)(6) as a result of the October 12, 1976 amendment of section 401(a)(8) of the Act, but which cannot meet the requirement of paragraph (b)(2) of this section	80
(5) Projects located in areas designated under Title IV of the Act which have been declared disaster areas by the President of the United States under the Disaster Relief and Emergency Assistance Act (Pub. L. 100–707) as amended provided:	
(i) Such areas retain their EDA designations, and.	
(ii) No more than one year has elapsed since the date of such area's disaster area designation	80
(6) Projects located in areas designated under Title IV of the Act in which the median family income is \$12,100 or below, or the average unemployment rate for the preceding 24 months is 12 percent or higher	80
(7) Projects located in areas designated under Title IV of the Act in which the median family income is \$13,900–\$12,101, or the average unemployment rate for the preceding 24 months is 10 percent to 11.9 percent	70
(8) Projects located in areas designated under Title IV of the Act in which the median family income is \$15,700–\$13,901, or the average unemployment rate for the preceding 24 months is 8 percent to 9.9 percent	60
(9) Projects located in areas designated under section 401(a)(6) of the Act solely on the basis of the October 12, 1976 amendment of section 401(a)(8) of the Act by Pub. L. 94–487	50
(10) Projects in all other areas	50

(c) The applicable maximum grant eligibility rate for projects located in EDDs pursuant to section 403(j) of the Act shall be the same as the grant rates for the redevelopment areas for which such projects are determined to be a direct and substantial benefit.

(d) Notwithstanding paragraph (c) of this section, an applicant shall be eligible for the highest applicable maximum grant rate in effect between the time EDA invites the application and the time the project is approved.

(e) Where municipalities of over 25,000 population qualify for designation under Title IV of the Act and part 302 of this chapter, but are located in areas already designated thereunder, such municipalities are eligible for the maximum grant under paragraph (b) of

this section as if they were designated independent of the existing redevelopment area. In determining the maximum grant rate for such municipalities, EDA will use the appropriate statistical information for the municipality involved, provided that consideration of such information will work to the municipality's advantage.

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§305.9 Ten percent bonus supplemental grants.

(a) Subject to the limitation that the maximum Federal share for any project may not exceed 80 percent of the aggregate project cost or 100 percent for projects listed in §305.8(b)(1)–