

146.49

Alternate funds disbursal procedure.

(a) Except as otherwise provided in this paragraph and to the extent authorized by law, the Secretary may redisburse funds withheld or terminated under this part directly to an alternate recipient, including any public or non-profit private organization or agency, State or political subdivision of the State. Under title I of the Housing and Community Development Act of 1974, 42 U.S.C. 5301, funds withheld because of a reduction or withdrawal of a recipient's Community Development Block Grant must be reallocated in the succeeding fiscal year, in accordance with the applicable regulations governing that program.

(b) The Secretary shall require the alternate recipient to demonstrate:

- (1) The ability to comply with the regulations; and
- (2) The ability to achieve the goals of the Federal statute authorizing the program or activity.