In the context of the American Rescue Plan and Coronavirus Local Fiscal Recovery Funds (LFRF), the Qualified Census Tract (QCT) is an accessible and convenient tool that readily identifies areas in need of support. Treasury’s Final Rule states that funding activities in QCTs—many of which are administrative and regulatory in nature—will help identify areas of need at a highly-localized level.

Local governments can use LFRF expenditures in QCTs as a precaution—funds spent on a wide range of eligible uses in QCTs are presumed by Treasury to be responding to the pandemic. These designated areas are already documented, so less documentation required means a lesser administrative and regulatory burden for using LFRF in these areas.

Eligible uses of LFRF in QCTs

The presumption for QCTs in Treasury’s guidance allows for a wide range of public health and economic support activities to be funded with LFRF. Any eligible use of LFRF will be eligible in a QCT, and Treasury explicitly lists certain types of services as eligible in QCTs. These include activities such as building stronger communities through investments in housing and neighborhood revitalization, and promoting child and family health and safety.

Determining Eligibility

An important note here is that Treasury’s guidance allows recipients to provide these services to other populations, households, or geographic areas that are disproportionately impacted by the pandemic, provided that the recipient can demonstrate that the pandemic resulted in disproportionate public health or economic outcomes for the specific populations, households, or geographic areas in question.

Examples of geographic areas could be:
- Seniors
- Areas with high concentration of minority residents
- Areas with high concentration of migrant workers
- Concentrations of low-income residents who don’t reside in a QCT

A view of QCTs in Pitt County generated July 9, 2021

The U.S. Department of Housing and Urban Development (HUD) designates QCTs for the Low-Income Housing Tax Credit (LIHTC) Program, and HUD is a primary source for determining eligibility of census tracts for QCT designation. These tracts are designated periodically as new decennial census data become available or as metropolitan area definitions change.

Read a policy brief from HUD officials for more information about the history, methodology, and practical issues of QCTs.

Where are QCTs in North Carolina?

The HUD website offers a QCT Table Generator that will list and map QCTs as of January 1, 2021. A map of North Carolina or a view of QCTs on one of the state’s maps can help you find QCTs. More than half of North Carolina QCTs are located outside of counties with the largest metropolitan areas (Wake, Mecklenburg, Guilford, Forsyth).

Sources:
- Treasury’s Interim Final Rule, 2021
- Low-Income Housing Tax Credit Qualified Census Tracts policy brief, HUD.
- HUD website for QCTs and Difficult Development Areas