

**TITLE 10
PART 1
CHAPTER 25**

**COMMUNITY DEVELOPMENT
TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
COLONIA SELF-HELP CENTER PROGRAM RULE**

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§25.1. Purpose and Services.

The purpose of this Chapter is to establish the requirements governing the Colonia Self-Help Centers, created pursuant to Subchapter Z of Chapter 2306 of the Tex. Gov't Code, Chapter 20 of this Title (relating to Single Family Programs Umbrella Rule), Chapter 21 of this Title (relating to Minimum Energy Efficiency Requirements), Chapter 1 of this Title (relating to Administration), and Chapter 2 of this Title (relating to Enforcement) and its funding including the use and administration of all funds provided to the Texas Department of Housing and Community Affairs (the "Department") by the legislature of the annual Texas Community Development Block Grant ("CDBG") allocation from the U.S. Department of Housing and Urban Development ("HUD"). Colonia Self-Help Centers are designed to assist individuals and families of low-income and very low-income to finance, refinance, construct, improve, or maintain a safe, suitable home in the designated Colonia service areas or in another area the Department has determined is suitable.

§25.2. Definitions.

The following words and terms, when used in this Chapter, shall have the following meanings unless the context or the Notice of Funding Availability (NOFA) indicates otherwise. Other definitions may be found in Chapter 2306 of the Tex. Gov't Code, Chapter 1 of this Title (relating to Administration), Chapter 2 of this Title (relating to Enforcement), Chapter 20 of this Title (relating to Single Family Programs Umbrella Rule), and Chapter 21 of this Title (relating to Minimum Energy Efficiency Requirements). Common definitions used under the CDBG Program are incorporated herein by reference.

- (1) Beneficiary--A person or family benefiting from the Activities of a Colonia Self-Help Center Contract.
- (2) Colonia Resident Advisory Committee ("C-RAC")--Advises the Department's Governing Board and evaluates the needs of Colonia residents, reviews programs and Activities that are proposed or operated through the Colonia Self-Help Centers to better serve the needs of Colonia residents.
- (3) Colonia Self-Help Center Provider--An organization with which the Administrator has an executed Contract to administer Colonia Self-Help Center Activities.
- (4) Community Action Agency--A political subdivision, combination of political subdivisions, or nonprofit organization that qualifies as an eligible entity under 42 U.S.C. §9902.
- (5) Contract Budget--An exhibit in the Contract which specifies in detail the Contract funds by budget category, which is used in the Draw processes. The budget also includes all other funds involved that are necessary to complete the Performance Statement specifics of the Contract.
- (6) Direct Delivery Costs--Soft costs related to and identified with a specific housing unit. Eligible Direct Delivery Costs include:

- (A) Preparation of work write-ups, work specifications, and cost estimates;
 - (B) Legal fees, recording fees, architectural, engineering, or professional services required to prepare plans, drawings or specifications directly attributable to a particular housing unit;
 - (C) Home inspections, inspections for lead-based paint, asbestos, termites, and interim inspections; and
 - (D) Other costs as approved in writing by the Department.
- (7) Housing Assistance Guidelines ("HAG")--The guidelines provided by the Unit of Local Government that outline the process and procedures used to administer the implementation of the Colonia Self-Help Center Program. These guidelines cannot conflict with state statute, program rules, regulations and/or contract requirements.
- (8) Implementation Manual--A set of guidelines designed to be an implementation tool for the Administrator and Colonia Self-Help Center Providers that have been awarded Community Development Block Grant Funds and allows the Administrator to search for terms, regulations, procedures, forms and attachments.
- (9) Income Eligible Families--
- (A) Low-income families--families whose annual incomes do not exceed 80 percent of the median income of the area as determined by HUD Section 8 income limits adjusted for family size;
 - (B) Very low-income families--families whose annual incomes do not exceed 60 percent of the median family income for the area, as determined by HUD Section 8 income limits adjusted for family size; and
 - (C) Extremely low-income families--families whose annual incomes do not exceed 30 percent of the median family income for the area, as determined by HUD Section 8 income limits adjusted for family size.
- (10) M Number--a several digit identification number, preceded by the letter "M" and assigned to colonias that have been identified by the Office of the Attorney General of Texas.
- (11) New Construction--A housing unit that is built only by certified Community Housing Development Organizations ("CHDOs") or Community Based Development Organizations ("CBDOs") on a previously vacant lot that will be occupied by Income Eligible Families.
- (12) Performance Statement--An exhibit in the Contract which specifies in detail the scope of work to be performed.
- (13) Public Service Activities--Activities other than New Construction, Reconstruction, and Rehabilitation activities that are provided by a Colonia Self-Help Center to benefit Colonia residents. These include, but are not limited to, construction skills classes, solid waste removal, tool lending library, technology classes, home ownership classes and technology access.
- (14) Reconstruction-- The demolition and rebuilding a Single Family Housing Unit on the same lot in substantially the same manner. The number of housing units may not be increased; however, the number of rooms may be increased or decreased dependent on the number of family members living in the housing unit at the time of Application. Reconstruction of residential structures also permits replacing an existing substandard Manufactured Housing Unit with a new, site-built housing unit or a new ENERGY STAR Certified Manufactured Housing Unit."
- (15) Rehabilitation--The improvement or modification of an existing single family housing residential unit through an alteration, addition, or enhancement on the same lot.
- (16) Unit of General Local Government (UGLG)--A city, town, county, or other general purpose political subdivision of the state.

§25.3. Eligible and Ineligible Activities.

- (a) A Colonia Self-Help Center may only serve Income Eligible Families in the targeted Colonias by:
 - (1) Providing assistance in obtaining Loans or grants to build a home;
 - (2) Teaching construction skills necessary to repair or build a home;
 - (3) Providing model home plans;

- (4) Operating a program to rent or provide tools for home construction and improvement for the benefit of property owners in Colonias who are building or repairing a residence or installing necessary residential infrastructure;
 - (5) Assisting to obtain, construct, access, or improve the service and utility infrastructure designed to service residences in a Colonia, including potable water, wastewater disposal, drainage, streets, and utilities;
 - (6) Surveying or platting residential property that an individual purchased without the benefit of a legal survey, plat, or record;
 - (7) Providing credit and debt counseling related to home purchase and finance;
 - (8) Applying for Grants and Loans to provide housing and other needed community improvements;
 - (9) Providing other services that the Colonia Self-Help Center, with the approval of the Department, determines are necessary to assist Colonia residents in improving their physical living conditions such as Rehabilitation, Reconstruction, and New Construction, including help in obtaining suitable alternative housing outside of a Colonia area;
 - (10) Providing assistance in obtaining Loans or grants to enable an individual or a family to acquire fee simple title to property that originally was purchased under a Contract for Deed, contract for sale, or other executory contract;
 - (11) Provide title-related services for unrecorded Contracts for Deed, clouded titles, property transfers, intestate estates, and other title ownership matters;
 - (12) Providing access to computers, the internet and computer training; and
 - (13) Providing monthly programs to educate individuals and families on their rights and responsibilities as property owners.
- (b) Ineligible Activities. Any type of Activity not allowed by the Housing and Community Development Act of 1974 (42 U.S.C. §§5301, et seq.) is ineligible for funding.
- (c) A Colonia Self-Help Center will only provide grants, financing, or Mortgage Loan services for New Construction, Reconstruction, and Rehabilitation of a home in a Colonia that is connected to a Department-approved source of potable water and wastewater disposal.

§25.4. Colonia Self-Help Centers Establishment.

- (a) Pursuant to Section 2306.582 of the Tex. Gov't Code, the Department has established Colonia Self-Help Centers in El Paso, Hidalgo, Starr, Webb, Cameron (also serves Willacy), Maverick, and Val Verde Counties.
- (b) The Department has designated:
 - (1) Appropriate staff in the Department to act as liaison to the Colonia Self-Help Centers to assist the centers in obtaining funding to enable the centers to carry out the center's Programs;
 - (2) Five (5) Colonias in each service area to receive concentrated attention from the Colonia Self-Help Centers in consultation with the C-RAC and the appropriate unit of local government; and
 - (3) A geographic area for the services provided by each Colonia Self-Help Center.
- (c) The Department shall make a reasonable effort to secure:
 - (1) Contributions, services, facilities, or operating support from the county commissioner's court of the county in which a Colonia Self-Help Center is located which it serves to support the operation of that Colonia Self-Help Center; and
 - (2) An adequate level of funding to provide each Colonia Self-Help Center with funds for low interest Mortgage financing, Grants for Self-Help Programs, revolving loan fund for septic tanks, a tool lending program, and other Activities the Department determines are necessary.
- (d) The El Paso Colonia Self-Help Center shall establish a technology center to provide internet access to Colonia residents pursuant to the General Appropriations Act for the appropriate biennium. Any other Colonia Self-Help Center may also establish a technology center to provide internet access to Colonia residents.

§25.5. Allocation and the Colonia Self-Help Center Application Requirements.

- (a) The Department distributes Colonia Self-Help Center funds to UGLGs from the 2.5 percent set-aside of the annual CDBG allocation to the state of Texas.
- (b) The Department shall allocate no more than \$1 million per Colonia Self-Help Center award except as provided by this Chapter. If there are insufficient funds available from any specific program year to fully fund an Application, the awarded Administrator may accept the amount available at that time and wait for the remaining funds to be committed upon the Department's receipt of the CDBG set-aside allocation from the next program year.
- (c) With a baseline award beginning at \$500,000 (or a lesser amount as provided for in (b) of this Section), the Department will add an additional \$100,000 for each expenditure threshold, as defined in §25.9 of this Chapter (relating to Expenditure Thresholds and Closeout Requirements), met on the current Colonia Self-Help Center Contract, and an additional \$100,000 for an accepted Application submitted by the deadline. If an Administrator can demonstrate that any violation of an Expenditure Threshold was beyond the control of the Administrator, it may request of the Board that an individual violation be waived for the purpose of future funding. The Governing Board, in its discretion and within the limits of federal and state law, may waive any one or more of the expenditure threshold requirements if it finds the waiver is appropriate to fulfill the purposes or policies of the Tex. Gov't Code, or for other good cause as determined by the Board.
- (d) The Administrator shall submit its Application no later than three (3) months before the expiration of its current Contract, or when ninety (90) percent of the funds under the current Contract have been expended, whichever comes first.
- (e) Application reviews are conducted on a first-come, first-served basis until all Colonia Self-Help Center funds for the current program year and deobligated Colonia Self-Help Center funds are committed.
- (f) In order to be accepted, each Application must include:
- (1) Evidence of the submission of the Contract Administrator's current annual single audit;
 - (2) A Colonia identification form and the M number, as assigned by the Office of the Attorney General of Texas, for each Colonia to be served, including all required back-up documentation as identified on the form;
 - (3) A boundary map for each of the five Colonias;
 - (4) A description of the method of implementation. For each Colonia to be served by the Colonia Self-Help Center, the Administrator shall describe the services and Activities to be delivered. Participating households must provide at least 15% of the labor necessary to build or rehabilitate the proposed housing by contributing the labor personally and/or through non-contract labor assistance from family, friends, or volunteers. Volunteer hours at the Colonia Self-Help Center may also fulfill the 15% labor requirement.
 - (5) The proposed Performance Statement must include the number of Colonia residents to be assisted from each Activity, the Activities to be performed (including all Sub-Activities under each budget line item), and the corresponding budget;
 - (6) The proposed Contract Budget must adhere to the following limitations:
 - (A) The Administration line item may not exceed fifteen (15) percent;
 - (B) At least eight (8) percent, but no more than ten (10) percent, must be used for the Public Service Activities;
 - (C) Colonia Self-Help Center Program funds cannot exceed \$45,000 in Program funds per unit per Income Eligible Household. Program funds can be used for Rehabilitation, Reconstruction or New Construction. An additional \$5,000 in Program funds are available for properties with non-functioning and/or unpermitted cesspools or septic tanks that need replacement with an appropriately sized on-site sewage facility or connection to a Department-approved source of potable water and wastewater disposal. Additional funds from other sources may be leveraged with Program funds.

- (D) Direct Delivery Costs for all New Construction and Reconstruction Activities cannot exceed ten (10) percent per unit provided by the Colonia Self-Help Center Program. Direct Delivery Costs for Rehabilitation are limited to fifteen (15) percent per unit provided by the Colonia Self-Help Center Program. All Direct Delivery Costs must be eligible and based on actual expenses for the specific housing unit;
- (7) Proposed HAG must include an Affirmative Fair Housing Marketing Plan as described under Chapter 20 of this Title and program parameters for Rehabilitation, Reconstruction, or New Construction;
- (A) Prior to Department approval of Colonia Self-Help Center construction activity, the Colonia Self-Help Center must document that existing on-site sewage facilities (septic systems) have been inspected by a Texas Commission on Environmental Quality-authorized agent to determine if the system is in substantial compliance with Health & Safety Code, Chapter 366 and the rules adopted under that chapter. Cesspools that have not been previously permitted are unacceptable and must be replaced by an appropriately sized on-site sewage facility or the home must be connected to a Department-approved source of potable water and wastewater disposal.
- (B) New Construction, Reconstruction, and Rehabilitation activities under the Colonia Self-Help Center Program must adhere to TDHCA's Minimum Energy Efficiency Requirements for Single Family Construction Activities under Chapter 21 of this Title.
- (8) Evidence of model subdivision rules adopted by the County;
- (9) Written policies and procedures, as applicable, for:
- (A) Solid waste removal;
- (B) Construction skill classes;
- (C) Homeownership classes;
- (D) Technology access, including any technology hardware inventory purchased with Colonia Self-Help Center funds;
- (E) Homeownership assistance; and/or
- (F) Tool lending library, including any library inventory purchased with Colonia Self-Help Center funds. All Colonia Self-Help Centers are required to operate a tool lending library;
- (10) Authorized signatory form and direct deposit authorization;
- (11) UGLG resolution authorizing the submission of the Application and appointing the primary signatory for all Contract documents;
- (12) Acquisition report (even if there is no acquisition activity);
- (13) Certification of exemption for HUD funded projects; and
- (14) Initial disclosure report for the Texas Department of Agriculture.
- (g) Upon receipt of the Application, the Department will perform an initial review to determine whether the Application is complete and that each Activity meets a national objective as required by §104(b)(3) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(b)(3)).
- (h) The Department may reduce the funding amount requested in the Application in accordance to subsection (c) of this Section. Should this occur, the Department shall notify the appropriate Administrator before the Application is submitted to C-RAC for review, comments and approval. The Department and the Administrator will work together to jointly agree on the performance measures and proposed funding amounts for each Activity.
- (i) The Department shall execute a four (4) year Contract with the Administrator. No Contract extensions will be allowed. If the Administrator requirements are completed prior to the end of the four (4) year Contract period, the Administrator may submit a new Application.
- (j) The Department may decline to fund any Application if the Activities do not, in the Department's sole determination, represent a prudent use of Colonia Self-Help Center funds. The Department is not obligated to proceed with any action pertaining to any Application which is received, and may decide it is in the Department's best interest to refrain from pursuing any selection process.

§25.6. Colonia Residents Advisory Committee Duties and Award of Contracts.

- (a) The Board shall appoint not fewer than five (5) persons who are residents of Colonias to serve on the C-RAC. The members of the C-RAC shall be selected from lists of candidates submitted to the Department by local nonprofit organizations and the commissioner's court of a county in which a Colonia Self-Help Center is located.
- (b) The C-RAC members' terms will expire every four (4) years. C-RAC members may be reappointed by the Board; however, the Board shall review and approve all members at least every four (4) years.
- (c) The Board shall appoint one committee member to represent each of the counties in which a Colonia Self-Help Center is located. Each committee member:
 - (1) Must be a resident of a Colonia in the county the member represents; and
 - (2) May not be a board member, contractor, or employee of the Administrator or have any ownership interest in an entity that is awarded a Contract under this Chapter and cannot be in default on any Department obligation.
 - (3) The Department will conduct a previous participation review on all members.
- (d) The Department may also select to have an alternate member from the list for each county in the event that the primary member is unable to attend meetings.
- (e) The C-RAC shall advise the Board regarding:
 - (1) The housing needs of Colonia residents;
 - (2) Appropriate and effective programs that are proposed or are operated through the Colonia Self-Help Centers; and
 - (3) Activities that might be undertaken through the Colonia Self-Help Centers to serve the needs of Colonia residents.
- (f) The C-RAC shall advise the Colonia initiatives coordinator as provided by Section 775.005 of the Tex. Gov't Code.
- (g) Award of Contracts.
 - (1) Upon reaching an Agreement with the Administrator, the Department will set the date for the C-RAC meeting. The C-RAC shall meet before the 30th calendar day preceding the date on which a Contract is scheduled to be awarded by the Board for the operation of a Colonia Self-Help Center and may meet at other times.
 - (2) The Administrator shall be present at the C-RAC if its Application is being considered to answer questions that C-RAC may have.
 - (3) After the C-RAC makes a recommendation on an Application, the recommendation will undergo the Department's award process.
- (h) Reimbursement of C-RAC members for their reasonable travel expenses in the manner provided by §25.8(1) of this Chapter (relating to Administrative Thresholds) is allowable and shall be paid by the Administrator.

§25.7. Colonia Self-Help Center Contract Operation and Implementation.

- (a) The Department shall contract with a UGLG for the operation of a Colonia Self-Help Center. The UGLG shall subcontract with a local nonprofit organization, local community action agency, or local housing authority that has demonstrated the ability to carry out all or part of the functions of a Colonia Self-Help Center.
- (b) Upon award of Colonia Self-Help Center funds by the Board, the Department shall deliver a Contract based on the scope of work to be performed within thirty (30) days of the award date, unless extenuating circumstances do not allow for delivery. Any Activity funded under the Colonia Self-Help Center Program will be governed by a written Contract that identifies the terms and conditions related to the awarded funds.

The Contract will not be effective until executed by all parties to the Contract.

(c) Administrators are required to complete their environmental reviews in accordance with 24 CFR Part 58 and receive the Authority to Use Grant Funds from the Department before:

(1) Any commitment of Community Development Block Grant (CDBG) funds (i.e., execution of a legally binding Agreement and expenditure of CDBG funds) for Activities other than those that are specifically exempt from environmental review.

(2) Any commitment of non-CDBG funds associated with the scope of work in the Contract that would have an adverse environmental impact (i.e., demolition, excavating, etc.) or limit the choice of alternatives (i.e., acquisition of real property, Rehabilitation of buildings or structures, etc.).

(d) Request for Payments. The Administrator shall submit a properly completed request for reimbursement, as specified by the Department, at a minimum on a quarterly basis; however, the Department reserves the right to request more frequent reimbursement requests as it deems appropriate. The Department shall determine the reasonableness of each amount requested and shall not make disbursement of any such payment request until the Department has reviewed and approved such request. Payments under the Contract are contingent upon the Administrator's full and satisfactory performance of its obligations under the Contract.

(1) \$2,500 is the minimum amount for a Draw to be processed, unless it is the final Draw request. If an Administrator fails to submit a draw within twelve (12) consecutive months the Contract will be subject to termination for failure to meet the Contract obligations.

(2) Draw requests will be reviewed to comply with all applicable laws, rules and regulations. The Administrator is responsible for maintaining a complete record of all costs incurred in carrying out the Activities of the Contract.

(3) Draw requests for all housing Activities will only be reimbursed upon satisfactory completion of types of Activities (*e.g.*, all plumbing completed, entire roof is completed, etc.), consistent with the construction contract.

(4) The Administrator will be the principal contact responsible for reporting to the Department and submitting Draw requests.

(e) Reporting. The Administrator shall submit to the Department reports on the operation and performance of the Contract on forms as prescribed by the Department. Quarterly Reports shall be due no later than the tenth (10th) calendar day of the month after the end of each calendar quarter. The Administrator shall maintain and submit to the Department up-to-date accomplishments in quarterly reports identifying quantity and cumulative data including the expended funds, Activities completed and total number of Beneficiaries. Processing of draws may be suspended until the Administrator's quarterly reports are submitted and approved by the Department. If an Administrator fails to submit Activity data within twenty-four (24) consecutive months, the Contract will be subject to termination for failure to meet the Contract obligations.

(f) Amendments. The Department's executive director or its designee, may authorize, execute, and deliver amendments to any Contract.

(1) Contract Time Extensions beyond the four (4) year Contract period will not be allowed for Colonia Self-Help Center Contracts.

(2) Changes in beneficiaries. Reductions in contractual deliverables and beneficiaries shall require a Contract amendment. Increases in contractual deliverables and beneficiaries that do not shift funds, or cumulatively shift less than ten (10) percent of total Contract funds, shall be completed through a Contract modification.

(3) The Department, at its discretion and in coordination with an Administrator, may increase a Contract Budget amount and the number of Activities and beneficiaries based on the availability of Colonia Self-Help Center funds, the exemplary performance in the implementation of an Administrator's current Contract, and the time available in the four (4) year Contract period. Upon Board approval, the cap on the maximum Contract amount may be exceeded if the terms of this paragraph are met by the Administrator.

(g) New Construction, Reconstruction, or Rehabilitation Activity that is provided by the Colonia Self-Help Center Program to Households with annual incomes that are equal or exceed 50% of the area median family income shall have a recorded and enforceable lien placed on the property secured by a deferred Forgivable Loan not shorter than five (5) years or a repayable mortgage loan not to exceed thirty (30) years. The Department will be a lien holder.

(h) New Construction, Reconstruction, or Rehabilitation Activity that is provided by the Colonia Self-Help Center Program to Households with annual incomes that do not exceed 50% of the area median family income shall be a grant.

(i) The Administrator's initial and any revised HAG shall be approved by commissioners' court and the Department prior to implementation.

(j) Access to all Public Service Activities identified in the Contract shall be provided at least two (2) Saturdays a month during hours preferable to Colonia residents. In addition, access shall be provided at least one day during the workweek after hours for a period long enough to allow Colonia residents to utilize the services.

(k) The purchase of new tools, new computers and computer equipment, if included in the approved budget, shall only occur within the first twenty-four (24) months of the Contract term. Any purchases of these items after twenty-four (24) months must be approved by the Department in writing prior to purchase.

§25.8. Administrative Thresholds.

Administrative Draw request. Administrative Draw requests are funded out of the portion of the Contract budget specified for administrative cost (administration line item of the Contract budget). These costs are not directly associated with an Activity. The administration line item will be disbursed as described in paragraphs (1) - (8) of this section:

(1) Threshold 1. The initial administrative Draw request allows up to 10 percent of the administration line item to be drawn down prior to the start of any project Activity included in the Performance Statement of the Contract (provided that all Pre-Draw requirements, as described in the Contract, for administration have been met). Subsequent administrative funds will be reimbursed in proportion to the percentage of the work that has been completed as identified in paragraphs (2) - (8) of this section.

(2) Threshold 2. Allows up to an additional fifteen (15) percent (twenty-five (25) percent of the total) of the administration line item to be drawn down after a start of project Activity has been demonstrated. For the purposes of this threshold, if Davis-Bacon labor standards are required for a given Program Activity, the "start of project Activity" is evidenced by the submission of a start of construction form. If labor standards are not required on a given project Activity that has commenced (and for which reimbursement is being sought), the submission of a Draw request that includes sufficient back-up documentation for expenses of non-administrative project Activities evidences a start of project Activity. Direct Delivery Costs charges will not constitute a start of project Activity.

(3) Threshold 3. Allows up to an additional twenty-five (25) percent (fifty (50) percent of the total) of the administration line item to be drawn down after compliance with the twenty (20)-month threshold requirement has been demonstrated as described in §25.9 of this chapter (relating to Expenditure Thresholds and Closeout Requirements).

(4) Threshold 4. Allows up to an additional twenty-five (25) percent (seventy-five (75) percent of the total) of the administration line item to be drawn down after compliance with the thirty-two (32)-month threshold requirement has been demonstrated as described in this chapter.

(5) Threshold 5. Allows up to an additional fifteen (15) percent (ninety (90) percent of the total) of the administration line item to be drawn down after compliance with the forty-four (44)-month threshold requirement has been demonstrated as described in this chapter.

- (6) Threshold 6. Allows an additional five (5) percent (ninety-five (95) percent of the total) of the administration line item to be drawn down upon receipt of all required close-out documentation.
- (7) Threshold 7. Allows the final five (5) percent (one-hundred (100) percent of the total), less any administrative funds reserved for audit costs as noted on the Project Completion Report of the administration line item to be drawn down following receipt of the programmatic close-out letter issued by Department.
- (8) Threshold 8. Any funds reserved for audit costs will be released upon completion and submission of an acceptable audit. Only the portion of audit expenses reasonably attributable to the Contract is eligible.

§25.9. Expenditure Thresholds and Closeout Requirements.

(a) Administrators must meet the expenditure threshold requirements described in paragraphs (1) - (4) of this subsection. If an Administrator fails to expend and submit expenditure documentation by the due date, the Contract may be subject to termination for failure to meet the Contract obligations.

(1) Six-Month Threshold. An Environmental Assessment that meets the requirements outlined in the environmental clearance requirements of the Contract must be submitted to the Department within six (6) months from the start date of the Contract;

(2) Twenty-Month Threshold. To meet this requirement the Administrator must have expended and submitted for reimbursement to the Department at least thirty (30) percent of the total Colonia Self-Help Center funds awarded within twenty (20) months from the start date of the Contract;

(3) Thirty-two-Month Threshold. To meet this requirement the Administrator must have expended and submitted for reimbursement to the Department at least sixty (60) percent of the total Colonia Self-Help Center funds awarded within thirty-two (32) months from the start date of the Contract; and

(4) Forty-four-Month Threshold. To meet this requirement the Administrator must have expended and submitted for reimbursement to the Department at least ninety (90) percent of the total Colonia Self-Help Center funds awarded within forty-four (44) months from the start date of the Contract.

(b) For purposes of meeting a threshold, "expended and submitted" means that a Draw request was received by the Department, is complete, and all costs needed to meet a threshold are adequately supported. The Department will not be liable for a threshold violation if a Draw request is not received by the threshold date.

(c) The final Draw request and complete closeout documents must be submitted no later than sixty (60) days after the Contract end date. If closeout documents are late, the remaining Contract balance may be subject to Deobligation as the Department's liability for such costs will have expired. If an Administrator has reserved funds in the project completion report for a final Draw request, the Administrator has ninety (90) days after the Contract end date to submit the final Draw request, with the exception of audit costs which may be reimbursed upon submission of the final single audit.