

COOPERATION AGREEMENT

This Cooperation Agreement (the “Agreement”), entered into this ____ day of _____, 2017, between the COUNTY OF SAN MATEO, a political subdivision of the State of California (“County”), and the CITY OF <insert city name>, a duly incorporated City within the County of San Mateo (“City”).

WITNESSETH

WHEREAS, the Housing and Community Development Act of 1974, as amended (the “Act”), provides for the distribution of federal funds through the Community Development Block Grant (“CDBG”) program to eligible public entities; and

WHEREAS, those public entities which are eligible to receive said federal funds are cities with a population more than 50,000 and urban counties; and

WHEREAS, public entities that do not otherwise come within the definition of an eligible public entity may cooperate and participate with an eligible public entity such as an Urban County; and

WHEREAS, since County has heretofore qualified as an “Urban County” under the Act, County again solicits the cooperation and co-participation of public entities such as City in its application for federal assistance under the Act for the Federal Fiscal Years of 2018, 2019 and 2020 and subsequent three-year periods thereafter; and

WHEREAS, City, having a population of less than 50,000, desires to cooperate and co-participate with County in this venture; and

WHEREAS, this Agreement by and between City and County establishes the formal relationship to cooperate and co-participate and is specifically authorized under the provisions of California Government Code sections 6502 and 26227; and

WHEREAS, County has received a communication from the United States Department of Housing and Urban Development (“HUD”), regarding additional language which must be included in this Agreement; and

WHEREAS, the Agreement with this additional language must be executed by the parties and submitted to HUD by September 21, 2017; and

WHEREAS, City has previously, by an official act of pronouncement, expressed its intent and desire to jointly participate in the housing and community development programs of the Urban County and to submit a joint application to establish or re-establish the Urban County for the fiscal years 2018, 2019 and 2020 and subsequent three-year periods thereafter, as designated under Government Code Sections 6502 and 26227 as required by the U.S. Department of Housing and Urban Development; and

WHEREAS, City understands that in becoming part of the Urban County, City automatically participates in the HOME Investment Partnership (“HOME”) Program and the Emergency Solutions Grant (“ESG”) Program, which provide eligible local jurisdictions with federal funds for housing and community development activities; and

WHEREAS, City now desires to enter into this Agreement with County so that it may qualify, under applicable provisions of the Act and HUD regulations, as co-participant with County in eligible activities under the Act.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, the parties hereto agree as follows:

1. Purpose:

County and City agree to cooperate to undertake, or assist in undertaking, community renewal and lower income housing assistance activities, specifically urban renewal and publicly assisted housing; economic development, neighborhood facilities, housing rehabilitation, and other appropriate housing assistance to primarily benefit lower and moderate income people. This Agreement includes participation in the CDBG, HOME and ESG Programs.

2. Term:

The term of this Agreement shall be for the Federal Fiscal Years of 2018, 2019 and 2020, after which the term shall be automatically renewed unless action is taken by the City to terminate this Agreement. As provided by HUD rules and regulations, this Agreement shall automatically be renewed for participation in successive three-year qualification periods, unless County or City provides written notice electing not to participate in a new qualification period, provided however, that this Agreement shall remain in effect until CDBG, HOME and ESG funds and income received with respect to the three-year qualification period are expended and the funded activities are completed. County and City cannot terminate or withdraw from this Agreement while the Agreement remains in effect.

By the date specified in HUD’s Urban County Qualification Notice CPD – 17-03, and for a subsequent qualification period of three years, County will notify City in writing of its right not to participate. Should there be changes necessary to meet the requirements for cooperation agreements set forth in the Urban County Qualification Notice applicable for a subsequent three-year Urban County qualification period, amendment(s) to this Agreement shall be executed between County and City and then submitted to HUD. Failure to do so will void the automatic renewal of such qualification period.

3. County’s Responsibilities as Applicant:

a. County, as applicant, has ultimate responsibility for executing the housing and

community development programs on behalf of the Urban County, following its Consolidated Plan, which provides for an analysis of housing and non-housing community development needs of the geographic area, and meeting the requirements of other applicable laws, including but not limited to the National Environmental Policy Act, the Uniform Relocation Act, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, and the Americans with Disabilities Act of 1990.

County is the lead agent for carrying out the Urban County CDBG Program and the ESG Program. The Urban County, as a CDBG entitlement jurisdiction, is qualified to receive its own allocation of federal HOME funds. However, to increase HOME funding access to County overall, County has formed the San Mateo County HOME Consortium, of which the Urban County is a member.

County is also the lead agent for the HOME Consortium. The HOME Consortium is technically responsible for preparing and submitting to HUD the Consolidated Plan, which covers the geographic area of the Consortium. The Urban County is responsible for submitting its own non-housing community development plan, an Action Plan, and required certifications as part of the Consortium's Consolidated Plan. As lead agent for the Urban County and the HOME Consortium, County is responsible for coordinating all activities necessary to prepare and submit a five-year Consolidated Plan on behalf of the Urban County, including providing assurances or certifications to HUD.

Therefore, County requires City, and City agrees to cooperate to undertake, or assist in undertaking, community renewal and lower-income housing assistance activities, strictly adhere to the Consolidated Plan as approved and to all assurances and certifications provided to HUD, including taking all actions necessary to comply with the Urban County's certifications under Section 104(b) of Title I of the Act, Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and affirmatively further fair housing. All parties to the Cooperation Agreement must comply with 24 CFR § 91.221(a) and to comply with section 109 of Title I of the Housing and Community Development Act of 1974, which incorporates Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975. County requires City, and City agrees to comply with all other applicable laws.

This Agreement shall also prohibit the Urban County from funding activities in or in support of, any cooperating unit of general local government that does not affirmatively further fair housing within its own jurisdiction or that impedes County's actions to comply with its own fair housing certification. This provision is required because noncompliance by a unit of general local government included in an urban county may constitute noncompliance by the grantee (i.e. the Urban County) that may, in turn, provide cause for funding sanctions or other remedial actions by HUD.

County shall not provide CDBG, HOME or ESG funds for activities in, or in support of City that does not affirmatively further fair housing within its own jurisdiction or for activities that impede County's actions to comply with its fair housing certification. In addition, County and City are responsible for taking all required actions to comply with the provisions of the National Environmental Policy Act of 1969.

- b. Further, pursuant to 24 CFR § 570.501(b), County, as applicant, has the responsibility for ensuring that CDBG, HOME and ESG funds are used in accordance with all program requirements, determining the adequacy of performance under agreements and procurement contracts, and taking appropriate action when performance problems arise. Therefore, before disbursing any CDBG, HOME or ESG funds to City or projects in City, County will require City, and City agrees to enter into a written agreement for each individual project.
- c. City may not sell, trade, or otherwise transfer all or any portion of CDBG funds to another such metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG funds on exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended. This requirement applies to the qualification and requalification of an Urban County and is contained in the Transportation, Housing and Urban Development, and Related Agencies Appropriation Act, 2014 Pub. L113-76.

4. **City Subject to Same Requirements as Subrecipients:**

Pursuant to 24 CFR § 570.501(b), City is subject to the same requirements applicable to subrecipients, including the requirement of a written agreement set forth in 24 CFR § 570.503. As applicant, County has the responsibility for ensuring that CDBG, HOME and ESG funds are used in accordance with all program requirements, determining the adequacy of performance under agreements and procurement contracts, and taking appropriate action when performance problems arise. Therefore, before disbursing any CDBG, HOME or ESG funds to City or projects in City, County will require City, and City agrees to enter into a written agreement for each individual project.

5. **City's Adoption and Enforcement of Policies:**

- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
- b. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within jurisdictions.

6. **City Eligibility for CDBG, HOME and ESG Funding**

By executing this Agreement, the City understands that it

- a. May not apply for grants from appropriations under the Small Cities or State CDBG Programs for fiscal years during the period in which it participates in the Urban County's CDBG Program;
- b. May participate in HOME Program only through the Urban County. Thus, even if the Urban County does not receive a HOME formula allocation, City cannot form a HOME Consortium with other local governments; and
- c. May receive a formula allocation under the ESG Program only through the Urban

County, although this does not preclude the urban county or a unit of government participating with the urban county from applying to the State for ESG funds, if the State allows.

7. Affirmative Action:

Under County's ultimate supervision and responsibility, City covenants and agrees that it will abide by and enforce all applicable affirmative action requirements including, but not limited to Executive Order No. 11246, the Equal Employment Opportunities Act, the San Mateo County Affirmative Action Plan and local affirmative action plans.

8. County's Responsibility to City:

In addition to the foregoing obligations:

- a. County shall, in preparing Consolidated Plans, Annual Action Plans, and any relevant future plans ("plan") under the Act, solicit to the extent allowed by the Act and all lawful HUD regulations, City's participation in the development of such future plans which refer to City's activities under the Act.
- b. In accordance with instructions from HUD, County agrees to permit City to carry out the essential community development and housing assistance activities provided for in the application and in future plans.
- c. County agrees to distribute funding it receives from its current plan and in future plans, in accordance with the terms and provisions therein contained, or in accordance with such terms and conditions as required by the Act or HUD.

9. City's Responsibilities to County.

In addition to the foregoing obligations:

- a. City agrees to expend any funds received by virtue of any of the Urban County's plans only in accordance with the terms and conditions stated therein, or as amended by HUD.
- b. City agrees to cooperate with the Urban County, as it has heretofore, with the development of current and future Consolidated Plans for the Urban County in which housing and community development activities are funded by CDBG, HOME and/or ESG to be continued or undertaken by City within its boundaries are included.

10. Program Income.

- a. City must inform County of any income generated by the expenditure of CDBG, HOME or ESG funds received by City.
- b. Any such program income must be paid to County, or City may retain the program income subject to requirements set forth in this Agreement.
- c. Any program income City is authorized to retain may only be used for eligible activities in accordance with all CDBG, HOME or ESG requirements as may then apply.
- d. County has the responsibility for monitoring and reporting to HUD on the use of any

such program income, and County shall require appropriate recordkeeping and reporting by City as may be needed for this purpose.

- e. In the event of close-out or change in status of City, any program income that is on hand or received subsequent to the close-out or change in status shall be paid to County.

11. Acquisition, Change in Use, and Disposition of Real Property Acquired or Improved with CDBG Funds:

If at any time after CDBG funds are allocated, in whole or in part, for the acquisition or improvement of real property, which is within the control of City, and if there is a change in the proposed use of said property, including disposition, City shall notify County of the proposed change. City shall reimburse County in an amount equal to the current fair market value (less any portion thereof attributable to expenditures of non-CDBG funds) of property acquired or improved with CDBG funds that is sold or transferred for a use which does not qualify under the CDBG regulations at any time prior to or subsequent to the close-out, change of status or termination of this Agreement between County and City.

12. Headings:

The headings in this document are merely for the convenience of the parties, and do not form a material part of this document. Headings shall not be considered in the construction of this document.

13. Minor Amendments to the Agreement.

Notwithstanding paragraph 2 above, should it become necessary to change the language of this Agreement to meet HUD approval, without making major changes and without altering the intent of the Agreement, such changes may be made administratively by City Manager of City.

All remaining provisions of said Agreement shall remain in full force and effect for the term provided herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

COUNTY OF SAN MATEO

By _____
President, Board of Supervisors

ATTEST:

Clerk of Said Board

CITY OF _____

By _____
Chief Executive Officer

ATTEST:

City Clerk

**Certificate of Delivery
(Government Code Section 25103)**

I certify that a copy of the original document filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the President of the Board of Supervisors.

**By
Clerk of the Board of Supervisors**