COOPERATION AGREEMENT FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT, HOME INVESTMENT PARTNERSHIP PROGRAM, AND EMERGENCY SHELTER GRANT FOR FISCAL YEARS 2018-19, 2019-20, 2020-21

This Cooperation Agreement for the Community Development Block Grant, HOME Investment Partnership Program, and the Emergency Solutions Grant for Fiscal Years 2018-19, 2019-20, 2020-21, hereinafter referred to as "Agreement" is made and entered into this _____ day of _____ 2017, by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, hereinafter referred to as "COUNTY", and CITY of **DESERT HOT SPRINGS**, an incorporated municipality within the geographical boundaries of the COUNTY, hereinafter referred to as "CITY." City and County are individually referred to herein as "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Housing and Community Development Act of 1974, as amended (42 U.S.C.A. § 5301 et seq.)(Public Law 93-383), hereinafter called "ACT," provides that Community Development Block Grant funds hereinafter referred to as "CDBG," may be used for the support of activities that provide decent housing, suitable living environments, and expanded economic opportunities principally for persons of low and moderate-income;

WHEREAS, the HOME Investment Partnerships Act program, hereinafter referred to as "HOME," was enacted by Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended (42 U.S.C.A. § 12701 et seq.) for the purposes of: expanding the supply of decent, affordable housing for low and very-low income families with emphasis on rental housing; building State and local capacity to carry out affordable housing programs; and providing for coordinated assistance to participants in the development of affordable low-income housing;

WHEREAS, the Emergency Solutions Grant, hereinafter referred to as "ESG," was authorized by the McKinney-Vento Homeless Assistance Act of 1987, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH) (42 U.S.C.A. § 11301 et seq.). The objectives of the ESG program are to increase the number and

quality of emergency shelters and transitional housing facilities for homeless individuals and families, to operate these facilities and provide essential social services, and to help prevent homelessness.

WHEREAS, CDBG regulations requires an eligible county to re-qualify as Urban County under the CDBG program every three (3) years; and

WHEREAS, the execution of this Agreement is necessary to include CITY as a participating unit of general government under COUNTY's Urban County CDBG, HOME, and ESG programs.

NOW THEREFORE, in consideration of the mutual covenants herein set forth and the mutual benefits to be derived there from, the Parties agree as follows:

1. GENERAL.

This Agreement gives COUNTY authority to undertake, or assist in undertaking, activities for Fiscal Years 2018-19, 2019-20, and 2020-21, that will be funded from the CDBG, HOME, and ESG programs and from any program income generated from the expenditure of such funds. COUNTY and CITY agree to cooperate, to undertake, or to assist in undertaking, community renewal and lower-income housing assistance activities. COUNTY is qualified as an "Urban County" under the ACT. CITY, by executing this Agreement, hereby gives notice of its election to participate in an Urban County Community Development Block Grant program, hereinafter referred to as "CDBG programs" and "Urban County program."

This Agreement is necessary to include the CITY as a participating unit of local government under the COUNTY'S Urban County CDBG Entitlement program, the HOME Investment Partnership (HOME) program, and the Emergency Solutions Grant (ESG) program.

CITY acknowledges and agrees that it may not apply for grants from appropriations under the State of California Small Cities CDBG Programs for fiscal years during the period in which it participates in the COUNTY's Urban County's CDBG Entitlement program, and the CITY may only participate in the HOME program through the COUNTY'S Urban County program, not a consortium. The CITY may apply for HOME funds or ESG funds from the State of California, if permitted by the State.

2. TERM.

The term of this Agreement shall be for three (3) years commencing on July 1, 2018 and terminating on June 30, 2021, unless an earlier date of termination is fixed by U.S. Department of Housing and Urban Development, hereinafter referred to as HUD, pursuant to ACT.

The terms of this Agreement shall remain in effect until the CDBG, HOME, and ESG funds and program income received with respect to activities carried out during the three-year qualification period are expended and the funded activities completed. Furthermore, neither the COUNTY nor the CITY may terminate or withdraw from this Agreement while it remains in effect.

3. <u>PREPARATION OF FEDERALLY REQUIRED FUNDING</u> <u>APPLICATIONS</u>.

The County of Riverside Economic Development Agency, subject to approval of COUNTY's Board of Supervisors, shall be responsible for preparing and submitting to the U.S. Department of Housing and Urban Development (HUD), in a timely manner, all reports and statements required by the ACT and the Federal regulations promulgated by HUD to secure entitlement grant funding under the CDBG, HOME, and ESG programs. This duty shall include the preparation and processing of COUNTY Housing, Community, and Economic Development Needs Identification Report, Citizen Participation Plan, the County Five-Year Consolidated Plan, One-Year Action Plan, Consolidated Annual Performance and Evaluation Report (CAPER), and other related programs which satisfy the application requirements of ACT and its regulations.

4. <u>COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND OTHER APPLICABLE STATUTES, REGULATIONS AND ORDINANCES.</u>

(a) COUNTY and CITY will comply with the applicable provisions of the ACT and those Federal regulations promulgated by HUD pursuant thereto, as the same currently exists or may hereafter be amended. The COUNTY and CITY will take all actions necessary to assure compliance with COUNTY's certifications required by Section 104 (b) of Title I of ACT, as amended (42 U.S.C.A. § 5304), Title VI of the Civil Rights Act of 1964 (42 U.S.C.A. § 2000d et seq.), the Fair Housing Act (42 U.S.C.A. § 3601 et seq.), and affirmatively furthering fair housing.

- (b) COUNTY and CITY will comply with all applicable laws, including, but not limited to, the following: National Environmental Policy Act of 1969; Title VIII of the Civil Rights Act of 1968; Title 24 Code of Federal Regulations part 570; Cranston-Gonzales National Affordable Housing Act (Public Law 101-625), as amended; Executive Order 11063, as amended by Executive Order 12259; Executive Order 11988; the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C.A. § 4630, et. seq.); and other Federal or state statute or regulation applicable to the use of CDBG or HOME Investment Partnerships Act (enacted as Title II of the Cranston Gonzalez National Affordable Housing Act of 1990) funds.
- (c) The Parties acknowledge that the COUNTY and CITY are obligated to take all actions necessary to comply with the Urban County's certification regarding affirmatively furthering fair housing and to comply with the provisions of Section 109 Title I of the Housing and Community Development Act of 1974, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. COUNTY and CITY agree that the Urban County program is prohibited from funding any activities in, or in support of, any cooperating unit of general local government that do not affirmatively further fair housing within its own jurisdiction or impedes the COUNTY's actions to comply with the COUNTY's fair housing certification.
- (d) CITY and COUNTY shall meet the citizen participation requirements of 24 CFR 570.301(b)(4)(i) and provide Riverside County citizens with all of the following:
- i. The estimate of the amount of CDBG funds proposed to be used for activities that will benefit persons of low and moderate-income;
- ii. A plan for minimizing displacement of persons as a result of activities assisted with CDBG funds and to assist persons actually displaced as a result of such activities;
- iii. A plan that provides for and encourages citizen participation, with particular emphasis on participation by persons of low and moderate-incomes, residents of slum and blighted areas, and of areas in which funds are proposed to be used, and provides for participation of residents in low and moderate-income neighborhoods;

- iv. Reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, as required by the regulations of the Secretary, and relating to the actual use of funds under the ACT;
- v. Provide for public meetings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities and review of program performance. Meetings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the disabled.
- (e) CITY shall develop a community development plan, for the period of this Agreement, which identifies community development and housing needs and specifies both short and long-term community development objectives.
 - (f) CITY certifies, to the best of its knowledge and belief, that:
- i. No Federal appropriated funds have been paid or will be paid, by or on behalf of the CITY, to any person influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.
- ii. If any funds other than Federally-appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- iii. The CITY shall require that the language provided in Sections 4(e)(i) and 4(e)(ii) of this Agreement be included in the award documents for all sub-awards at all tiers (including subcontracts, sub- grants and contracts under grants, loans, and cooperative

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agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into.

(g) CITY certifies that it has adopted and is enforcing 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 that it has adopted and is 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 its jurisdiction.

5. COMPLIANCE WITH POLICY AND PROGRAM OBJECTIVES.

The COUNTY's Board of Supervisors have adopted policies and procedures to ensure efficient and effective administration of the CDBG, HOME, and ESG programs. COUNTY will provide these policies and procedures to CITY within a reasonable time after this Agreement's commencement date. COUNTY and City agree to comply with these said policies and program objectives and to take no actions to obstruct implementation of the approved 2014-2019 Five Year Consolidated Plan and the subsequent Five Year Consolidated Plan.

6. OTHER AGREEMENTS.

Pursuant to Federal regulations at 24 CFR 570.501(b), CITY is subject to the same requirements applicable to sub-recipients, including the requirement of a written agreement set forth in Federal regulations at 24 CFR 570.503. For each fiscal year during the term of this Agreement, COUNTY and CITY shall enter into an additional agreement, commonly known as a Supplemental Agreement, that will have a term coinciding with a CDBG Program Year and enumerate the project(s) CITY will implement with its entitlement funds. Said Supplemental Agreement will set forth the time schedule for completion of said project(s) and any funding sources, in addition to entitlement funds, that will be used in completing the project(s). If substantial compliance with the completion schedule, due to unforeseen or uncontrollable circumstances, cannot be met by CITY, the schedule for the project(s) may be extended by COUNTY. If COUNY determines that substantial progress toward drawdown of funds is not made during the term of the Supplemental Agreement, the entitlement funds associated with the

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project(s) may be reprogrammed by COUNTY, to other activities as determined by COUNTY, after COUNTY provides appropriate written notice to CITY. COUNTY's decision not to extend the completion schedule associated with the project(s), or to reprogram the entitlement funds associated with the project(s), will not excuse CITY from complying with terms of this Agreement.

7. <u>DETERMINATION OF PROJECTS TO BE FUNDED AND DISTRIBUTION OF ENTITLEMENT FUNDS.</u>

CITY agrees to submit to COUNTY in writing, no later than the date specified by COUNTY prior to each program year, the activities that the CITY desires to implement with its entitlement funds, said designation to comply with statutory and regulatory provisions governing citizen's participation. Said designation is to be reviewed by the COUNTY's Economic Development Agency to determine that the projects are eligible under Federal regulations for funding and inclusion in the One Year Action Plan of the County's Five-Year Consolidated Plan and consistent with both Federal and COUNTY policy governing use of Community Development Block Grant (CDBG) funds.

In the event that CITY fails to submit to COUNTY the identified activities that the CITY desires to implement with its entitlement funds by the date specified prior to each program year, the COUNTY may determine the activities to be funded, without consent of the CITY, consistent with both Federal and COUNTY policy governing use of Community Development Block Grant (CDBG) funds.

Consistent with Sections 3, 4, 5, 6, and 7 of this Agreement, COUNTY's Board of Supervisors will make the final determination of the distribution and disposition of all CDBG funds received by COUNTY pursuant to the ACT.

8. COMMUNITY DEVELOPMENT BLOCK GRANT MANUAL.

CITY warrants that those officers, employees, and agents, retained by it and responsible for implementing projects funded with CDBG have received, reviewed, and will follow the Community Development Block Grant Manual that has been prepared and amended by COUNTY, which Manual is incorporated herein and made a part hereof by this reference.

9. <u>REAL PROPERTY ACQUIRED OR PUBLIC FACILITY</u> CONSTRUCTED WITH CDBG FUNDS.

When CDBG funds are used, in whole or in part, by CITY to acquire real property or to construct a public facility, CITY shall comply with the National Environmental Policy Act of 1969 (42 U.S.C. § 4321, et seq.), the California Environmental Quality Act (Cal. Pub. Resources Code § 21000, et seq.), the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4630, et seq.), and California Government Code Sections 7260 et seq., as those laws may be amended from time-to-time and any Federal or state regulations issued to implement the aforementioned laws.

In addition, the following is to occur:

- (a) Title to the real property shall vest in CITY;
- (b) The real property title will be held by or the constructed facility will be maintained by the CITY for the approved use until five (5) years after the date that the project is reported as "Completed" within the annual Consolidated Annual Performance and Evaluation Report.
- (c) While held by CITY, the real property or the constructed facility is to be used exclusively for the purpose for which acquisition or construction was originally approved by COUNTY;
- (d) CITY shall provide timely written notice to COUNTY of any action which would result in a modification or change in the use of the real property purchased or improved, in whole or in part, with CDBG or HOME funds from that planned at the time of acquisition or improvement, including disposition.
- (e) CITY shall provide timely written notice to citizens and opportunity to comment on any proposed modification or change;
- (f) Written approval from COUNTY must be secured if the property or the facility is to be put to an alternate use that is or is not consistent with Federal regulations governing CDBG funds;

(g)	Shoul	d CITY o	desire duri	ng the five ((5) yea	r period to	use the re	eal property
or the constructed	l facility	for a pu	irpose no	consistent	with	applicable	Federal	regulations
governing CDBG funds or to sell the real property or facility, then:								

- (i) If CITY desires to retain title, it will have to reimburse either COUNTY or the Federal government an amount that represents the percentage of current fair market value that is identical to the percentage that CDBG funds initially comprised to when the property was acquired or the facility was constructed;
- (ii) If CITY sells the property or facility, or is required to sell the property or facility, CITY is to reimburse the COUNTY an amount that represents the percentage of proceeds realized by the sale that is identical to the percentage that CDBG funds comprised of the monies paid to initially acquire the property or construct the facility. This percentage amount will be calculated after deducting all actual and reasonable cost of sale from the sale proceeds.

10. <u>DISPOSITION OF INCOME GENERATED BY THE EXPENDITURE</u> OF CDBG FUNDS.

CITY shall inform COUNTY in writing of any income generated by the expenditure of CDBG funds received by CITY from COUNTY. CITY may not retain any program income so generated. Any and all program income shall be returned to the County and may only be used for eligible activities in accordance with all CDBG requirements, including all requirements for citizen participation.

The COUNTY is required by HUD to monitor and report the receipt and use of all program income. CITY is required to track, monitor, and report any and all program income as requested by COUNTY.

11. TERMINATION.

Except as provided for in Paragraph 2, CITY and COUNTY cannot terminate or withdraw from this Agreement while it remains in effect.

12. NOTICES.

All correspondence and notices required or contemplated by this Agreement shall

thereunder, shall remain in full force and effect. If the language of this Agreement is in conflict or inconsistent with the terms of any prior said agreements between CITY and COUNTY, the language of this Agreement will be controlling.

18. INDEMNIFICATION

CITY and COUNTY agree to indemnify, defend, and hold harmless the other Party and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and/or liability arising from either Party's acts, errors, or omissions, and for any costs or expenses incurred by either Party on account of any claim therefore, except where such indemnifications is prohibited by law. Each Party shall promptly notify the other Party in writing of the occurrence of any such claims, actions, losses, damages, and/or liability.

Each Party shall indemnify and hold harmless the other Party against any liability, claims, losses, demands, and actions incurred by either Party as a result of the determination by HUD or its successor that activities undertaken by either Party under the program(s) fail to comply with any laws, regulations, or policies applicable thereto or that any funds billed by and disbursed to either Party under this Agreement were improperly expended.

19. COMPLIANCE WITH LAWS AND REGULATIONS.

By executing this Agreement, the PARTIES agree to and comply with all applicable federal, state, and local laws, regulations, and ordinances.

20. ENTIRE AGREEMENT.

It is expressly agreed that this Agreement embodies the entire agreement of the Parties in relation to the subject matter hereof, and that no other agreement or understanding, verbal or otherwise, relative to this subject matter, exists between the Parties at the time of execution.

21. SEVERABILITY.

Each paragraph and provision of this Agreement is severable from each other provision and in the event any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provision will never the less continue in full force without being impaired or invalidated in any way.

22. ASSIGNMENT.

The City shall not make any sale, assignment, conveyance or lease of any trust or power, or transfer in any other form with respect to this Agreement, or delegate or assign any interest in this Agreement without prior written approval of the COUNTY.

23. INTERPRETATION AND GOVERNING LAW.

This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement, all Parties having been represented by counsel in the negotiation and preparation hereof.

24. WAIVER.

Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, or the failure by a Party to exercise its rights upon the default of the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by the other Party with the terms of this Agreement thereafter.

25. <u>JURISDICTION AND VENUE</u>.

Any action at law or in equity arising under this Agreement or brought by a Party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed in the Superior Court of California, County of Riverside, State of California, and the Parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

26. PROHIBITION OF CDBG FUND TRANSFER

The CITY may not sell, trade, or otherwise transfer all or any portion of the CDBG funds to another such cooperating city, metropolitan city, urban county, or Indian tribe, that directly receives CDBG funds in exchange for any other funds, credits, or non-Federal considerations. CITY must use the CDBG funds for activities eligible under Title I of the ACT.

27. EMERGENCY SOLUTIONS GRANT FORMUAL ALLOCATION

CITY acknowledges and agrees that while participating in the COUNTY's Urban County program, CITY can only receive a formula Emergency Solutions Grant (ESG) allocation from the Urban County program and only at such times as authorized by the County's Board of Supervisors. The CITY and COUNTY may also apply for ESG funds from the State of California, if permitted by the State.

28. <u>HOME INVESTMENT PARTNERSHIP ACT FORMULA</u> ALLOCATION

CITY acknowledges and agrees that while participating in the COUNTY's Urban County program, CITY can only receive a formula HOME allocation from the Urban County program and only at such times as authorized by the County's Board of Supervisors. The CITY and COUNTY may also apply for HOME funds from the State of California, if permitted by the State.

29. AMENDMENTS

No change, amendment, or modification to the Agreement shall be valid or binding upon CITY or COUNTY unless such change, amendment, or modification is in writing and duly executed. CITY and COUNTY agree to adopt any necessary amendments to this Agreement to incorporate changes required by HUD as set forth in the Urban County Qualification Notice. Amendments must be submitted to HUD as provided in the Urban County Qualification Notice and failure to do so will void the automatic renewal for such qualification period.

30. AUTHORITY TO EXECUTE.

The persons executing this Agreement or exhibits attached hereto on behalf of the Parties to this Agreement hereby warrant and represent that they have the authority to execute this Agreement and warrant and represent that they have the authority to bind the respective Parties to this Agreement to the performance of its obligations hereunder.

31. <u>INCORPORATION OF RECITALS</u>

The Parties hereby affirm the facts set forth in the recitals above. Said recitals are incorporated herein and made an operative part of this Agreement.

1	IN WITNESS WHEREOF, the	COUNTY and CITY have executed this					
2	Agreement on the date shown below.						
3							
4	COUNTY OF RIVERSIDE,	CITY OF DESERT HOT SPRINGS,					
5	a political subdivision of the State of California	a general law city					
6	State of Camorna						
7	By:	Ву:					
8	Robert Field, Assistant County Executive Officer/EDA						
9							
10	Date:	Date:					
ا 1							
12	APPROVED AS TO FORM:	ATTEST:					
13	Gregory P. Priamos, County Counsel						
14		By:					
15	By:	City Clerk					
16	By: Jhaila R. Brown, Deputy County Counsel						
17							
18		APPROVED AS TO FORM:					
19		Ву:					
20		City Attorney					
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COUNTY COUNSEL CERTIFICATION

The Office of County Counsel hereby certifies that the terms and provisions of this Agreement are fully-authorized under state and local law and that the Agreement provides full legal authority for the COUNTY to undertake, or assist in undertaking, essential community development and housing assistance activities specifically urban renewal and publicly assisted housing.

> Gregory P. Priamos **County Counsel**

Deputy, Jhaila R. Brown

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Cooperation Agreement For CDBG, HOME, and ESG Funds 2018-2021