

**RESOLUTION NO. 96-84**

**A RESOLUTION OF THE CITY COUNCIL OF EL PASO DE ROBLES, CALIFORNIA,  
APPROVING A COOPERATION AGREEMENT BETWEEN THE CITY AND COUNTY OF  
SAN LUIS OBISPO TO ESTABLISH JOINT PARTICIPATION IN THE FEDERAL  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT  
PARTNERSHIPS (HOME) PROGRAMS**

**WHEREAS, the County of San Luis Obispo ("County"), a political subdivision of the State of California, and the City of El Paso de Robles ("City"), a municipal corporation, desire to participate in the Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) programs administered by the U.S. Department of Housing and Urban Development (HUD); and**

**WHEREAS, said programs will promote the public health, safety and welfare by providing grant funds to be used by the City and County ("parties") to improve housing opportunities for low- and moderate-income households, to encourage economic reinvestment, to improve community facilities and public services, and to provide other housing-related facilities or services; and**

**WHEREAS, to qualify for CDBG funds under HUD eligibility guidelines, the County must have a population of at least 200,000 persons; and**

**WHEREAS, the City, as part of the federally designated "San Luis Obispo - Atascadero - Paso Robles Metropolitan Area", wishes to defer its entitlement status to the County for the mutual benefit of both jurisdictions; and**

**WHEREAS, HUD requires that the parties enter into a cooperation agreement to define their rights and obligations as a prerequisite of participation in the CDBG program;**

**NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of El Paso De Robles as follows:**

**SECTION 1. Findings.**

- 1. The proposed Cooperation Agreement is consistent with the General Plan and with City and County policies encouraging cooperation between agencies on issues of regional significance such as affordable housing and public services.**
- 2. The proposed Cooperation Agreement will promote the public health, safety and welfare by enabling the City and County to participate in the U.S. Department of Housing and Urban Development's CDBG and HOME Programs under an "urban county" entitlement; thus making available funds for a variety of housing, economic development, and public services programs not otherwise available.**

status of the City, all program income on hand or received by the City subsequent to the close-out or change of status shall be paid to the County.

**E. Change in Use of Property.** City shall notify the County of any modification or change in the use of real property acquired or improved in whole or in part using CDBG funds that is within the control of the City, from that use planned at the time of acquisition or improvement including disposition. Such notification shall be made within thirty (30) days of such change of use.

**F. Reimbursement Upon Sale or Transfer.** City shall reimburse the 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 Regulations. City shall inform the County of such program income within thirty (30) days if the income results from the sale or change of use of property acquired or improved with CDBG funds.

**G. Fair Housing Implementation.** Parties agree that no urban county funding shall be allocated or expended for 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 the County's actions to comply with its fair housing certification.

**H. Conflict Resolution.** In the event of disagreement or objections by City or County as to the allocation, disbursement, use, or reimbursement of CDBG funds, the Parties agree to accept HUD's binding arbitration and written determination as to the appropriate resolution or disposition of funds.

**SECTION V. Amendment or Extension of Agreement.**

**A. Subrecipient Agreement.** For each fiscal year during the term of this Agreement, County and City shall enter into a Subrecipient Agreement, prepared jointly by County and City, that will list the project(s) City will undertake with its CDBG entitlement funds during that program year. Said agreement will set forth the project changes, time schedule for completion of the project(s), and additional funding sources, if any. If substantial compliance with the completion schedule cannot be met by the City due to unforeseen or uncontrollable circumstances, the City may extend the schedule for project completion, as allowed by federal regulations.

**B. Amendments.** Parties agree that a fully executed amendment or amendments to this Agreement may be entered into at any time if required or necessary to implement the plans contemplated hereunder, or to comply with any grant agreement or the regulations issued pursuant to the Act.

#### **SECTION VI. Compliance with Federal Regulations.**

**A. General.** Parties agree to take all actions necessary to comply with the urban county's certification required by section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 109 of Title I of the Housing and Community Development Act of 1974; the National Environmental Policy Act of 1969; the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; and other applicable laws.

**B. Citizen Participation.** Parties agree to comply with federal citizen participation requirements of 24 CFR Part 91, and provide citizens with:

- 1) An estimate of the amount of CDBG funds proposed to be used for activities that will benefit persons of low and moderate income; and
- 2) A plan for minimizing displacement of persons as a result of CDBG-assisted activities and programs, and to provide assistance to such persons.

**C. Citizen Participation Plan.** Parties agree to follow a citizen participation plan

which:

- 1) Provides for and encourages citizen participation, particularly those of low or moderate income who reside in slum or blighted areas where CDBG funds are proposed to be used;
- 2) Provides citizens with reasonable and timely access to local meetings, staff reports, and other information relating to grantee's proposed use of funds, as required by HUD regulations related to the actual use of funds under the Act;
- 3) Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least: 1) formulation of needs; 2) review of proposed grant activities; and 3) review of program performance; for which public hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for handicapped persons;
- 4) Provides for a timely written answer to written complaints and grievances, within 15 working days where practicable;
- 5) Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

**D. Parties hereby certify, to the best of their knowledge and belief, that:**

- 1) **Conflict of Interest.** No federal grant monies have been paid or will be paid, by or on behalf of the Parties, to any 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.
- 2) **Influence.** 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.

- 3) **Certification Disclosure.** Parties agree to include this certification in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements), and that all grant subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was entered into.

**E. Certification Regarding Policies Prohibiting Use of Excessive Force and Regarding Enforcement of State and Local Laws Barring Entrances.**

In accordance with Section 519 Public Law 101-144, (the 1990 HUD appropriations Act), the Parties certify that they have adopted and are enforcing:

- 1) A policy prohibiting the use of excessive force by law enforcement agencies within their respective jurisdictions against any individuals engaged in non-violent civil rights demonstrations; and
- 2) 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 their jurisdictions.

**SECTION VII. Execution of Agreement and Recordkeeping.**

**A. HUD Certification.** The City Manager or the City Attorney are hereby authorized to execute and submit to the County the HUD Certification Form with respect to the community development activities carried out within the boundaries of the City. It is further understood that the County will rely upon the certifications executed by the City Manager or City Attorney for purposes of executing a certification form for submission to HUD.

**B. Maintenance of Records.** City shall maintain records of activities for any projects undertaken pursuant to the program, and said records shall be open and available for inspection by auditors assigned by HUD and/or County on reasonable notice during the normal business hours of the City.

**IN WITNESS WHEREOF,** the City Council of the City of El Paso de Robles and the Board of Supervisors of the County of San Luis Obispo have authorized this Cooperation Agreement

and direct its execution by their respective chief executive officers on this \_\_\_\_ day of July, 1996.

County Counsel Certification

The Office of the 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.

By: \_\_\_\_\_  
James B. Lindholm, County Counsel

**APPROVED AS TO FORM AND LEGAL EFFECT:**

By: \_\_\_\_\_  
Iris Yang, City Attorney

**COUNTY OF SAN LUIS OBISPO**

By: \_\_\_\_\_  
Chairman of the Board of Supervisors

**ATTEST:**

\_\_\_\_\_  
Julie Rodewald, County Clerk

**CITY OF EL PASO DE ROBLES:**

By: Walter J. Macklin  
Walter J. Macklin, Mayor

**ATTEST:**

Richard J. Ramirez  
Richard J. Ramirez, City Manager/City Clerk

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3. The Parties intend to adopt a Memorandum of Understanding which will establish administrative policies and procedures, performance standards, and guidelines for block grant program implementation by the County and participating cities.
4. The proposed Cooperation Agreement is not a "project" for purposes of compliance with the provisions of the California Environmental Quality Act and the City's Environmental Guidelines.

**SECTION 2. Authorization to enter into Cooperation Agreement.**

Pursuant to Federal Regulations 24 CFR 570.501(b), et. seq., the City Council hereby authorizes the Mayor to enter into a cooperation agreement, in essentially the form and content of Exhibit "A", with the County to enable joint participation in the Community Development Block Grant (CDBG) and Home Investment Partnership Act (HOME) programs administered by the U.S. Department of Housing and Urban Development (HUD).

**SECTION 3. City Manager authorized to act for City.**

The City Manager is hereby authorized to act on behalf of the City in connection with the implementation of the agreement, on-going operation of the CDBG and HOME Programs, and other activities necessary to carry out the intent of the agreement.

**SECTION 4. Public Notice.**

A summary copy of this resolution, together with the ayes and noes, shall be published at least once in full, within 10 days after its adoption, in a newspaper published and circulated in the City. A copy of the full text of this resolution shall be on file in the office of the City Clerk and shall be available to any interested member of the public.

**PASSED AND ADOPTED THIS 2nd day of July, 1996 by the following roll call vote:**

**AYES:** Heggarty, Iversen, Martin, Picanco, and Macklin  
**NOES:** None  
**ABSENT:** None  
**ABSTAIN:** None

  
MAYOR WALTER J. MACKLIN

**ATTEST:**  
  
RICHARD J. RAMIREZ, CITY MANAGER/CITY CLERK



**EXHIBIT A**

**A COOPERATION AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO  
AND THE CITY OF EL PASO DE ROBLES  
FOR JOINT PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK  
GRANT PROGRAM FOR FISCAL YEARS 1997 THROUGH 1999**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of July, 1996, by and between the County of San Luis Obispo, a political subdivision of the State of California, hereinafter called "County"; and the City of El Paso de Robles, a municipal corporation of the State of California, located in the County of San Luis Obispo, hereinafter called "City"; jointly referred to as "Parties."

**WITNESSETH:**

**WHEREAS,** In 1974, the U. S. Congress enacted and the President signed a law entitled, The Housing and Community Development Act of 1974, herein called the "Act". Said Act is omnibus legislation relating to federal involvement in a wide range of housing and community development activities and contains eight separate titles;

**WHEREAS,** Title I of the Act is entitled "Community Development" and consolidates several existing categorical programs for housing and community development into new programs for such housing and development under block financial grants. The primary objectives of Title I are the improvement and development of metropolitan cities and urban counties or communities by providing financial assistance annually for area-wide plans and for housing, public services and public works programs;

**WHEREAS,** the City of El Paso de Robles has been designated as an entitlement city by the U.S. Department of Housing and Urban Development (HUD), and it has been determined that the

City is eligible to receive Community Development Block Grant (CDBG or "program") funds under HUD guidelines;

**WHEREAS,** The County of San Luis Obispo has requested of HUD that the County be designated as an "urban county", and County has been informed preliminarily, subject to final determination, that it will qualify as an urban county and be eligible to receive program funds provided that the County's entitled cities defer their entitlement to County to enable both the County and the entitlement cities to jointly participate in the program;

**WHEREAS,** The City desires to participate jointly with the County in said program, and is willing to defer its entitlement to the County under the terms of this Agreement;

**WHEREAS,** The Housing and Community Development Block Grant Regulations issued pursuant to the Act provide that qualified urban counties must submit an application to the Department of Housing and Urban Development for funds, and that cities and smaller communities within the metropolitan area not qualifying as metropolitan cities may join the County in said application and thereby become a part of a more comprehensive county effort;

**WHEREAS,** As the urban county Applicant, the County must take responsibility and assume all obligations of an applicant under federal statutes, including: the analysis of needs, the setting of objectives, the development of community development and housing assistance plans, the consolidated plan, and the assurances or certifications;

**WHEREAS,** By executing this agreement, the Parties hereby give notice of their intention to participate in an Urban County Community Development Block Grant program.

**NOW THEREFORE,** in consideration of the mutual promises, recitals and other provisions hereof, the parties agree as follows:

**SECTION I. General.**

**A. Responsible Officers.** The Administrator of the County of San Luis Obispo ("Administrator") is hereby authorized to act as applicant for the Community Development Block Grant Program and to administer block grant funding and activities under the program. The City Manager is hereby authorized to act as the responsible officer of the City under the program.

**B. Full Cooperation.** Parties agree to fully cooperate and to assist each other in undertaking eligible grant programs or projects, including but not limited to community renewal and lower income housing assistance activities, specifically urban renewal and publicly assisted housing; public services; and economic development.

**C. Term of Agreement.** The term of this Agreement shall be for a period of three (3) years commencing on the date specified below and extending through federal fiscal years 1997, 1998, and 1999. The Agreement remains in effect until the CDBG and HOME Investment Partnerships (HOME) Program funds and income received with respect to the three-year qualification period are expended and the funded activities are completed. The Parties may not terminate or withdraw from the Agreement while the Agreement remains in effect.

**D. Scope of Agreement.** This Agreement covers the following formula funding programs administered by HUD where the County is awarded and accepts funding directly from HUD: the CDBG Entitlement Program, the HOME Program, the Emergency Shelter Grant (ESG) Program, and the Housing Opportunities for Persons With AIDS (HOPWA) Program.

**SECTION II. Preparation and Submittal of CDBG Funding Applications.**

**A. Inclusion of City as Applicant.** Parties agree that City shall be included in the application the County shall submit to the Department of Housing and Urban Development for Title I Housing and Community Development Block funds under the above recited Act.

**B. Consolidated Plan.** City shall assist the County by preparing a community development plan, for the period of this Agreement, which identifies community development and housing needs, projects and programs for the City; and specifies both short- and long-term City objectives, consistent with requirements of the Act. County agrees to: (1) include the City plan in the program application, and (2) include City's desired housing and community development objectives, policies, programs, projects and plans as submitted by City in the County's consolidated plan.

**C. Application Submittal.** County agrees to commit sufficient resources to completing and submitting the Consolidated Plan and supporting documents to HUD in time for the Parties to be eligible to receive funding beginning July 1, 1997, and to hold public hearings as required to meet HUD requirements.

**D. County Responsibility.** Parties agree that the County shall, as applicant, be responsible for holding public hearings and preparing and submitting the CDBG funding application and supporting materials in a timely and thorough manner, as required by the Act and the federal regulations established by HUD to secure entitlement grant funding beginning July 1, 1997.

**E. Grant Eligibility.** In executing this Agreement, the Parties understand that they shall not be eligible to apply for grants under the Small Cities or State CDBG Programs for appropriations for fiscal years during the period in which the Parties are participating in the Urban County CDBG entitlement program; and further, the City shall not be eligible to participate in the HOME, ESG

or HOPWA programs except through the urban county, unless the urban county does not qualify for or declines to accept formula allocations under these programs.

**SECTION III. Program Administration.**

**A. Program Authorization.** County Administrator is hereby authorized to carry out activities which will be funded from the annual CDBG, HOME, ESG and HOPWA programs from federal fiscal year 1997, 1998, and 1999 appropriations and from any program income generated from the expenditure of such funds.

**B. Responsibilities of Parties.** Parties agree that the County shall be the governmental entity required to execute any grant agreement received pursuant to the CDBG, HOME, ESG and HOPWA applications, and that County shall thereby become legally liable and responsible thereunder for the proper performance of the plan and CDBG, HOME, ESG and HOPWA urban county programs. City agrees to act in good faith and with due diligence in performance of City obligations and responsibilities under this Agreement and under all subrecipient agreements. City further agrees that it shall fully cooperate with the County in all things required and appropriate to comply with the provisions of any Grant Agreement received by the County pursuant to the Act and its Regulations.

**C. City Assistance.** City agrees to undertake, conduct, perform or assist the County in performing the essential community development and housing assistance activities identified in the City's community development plan. Pursuant to the Act and pursuant to 24 CFR 570.501 (b), the City is subject to the same requirements applicable to subrecipients, including the requirement of a written agreement with the County as set forth in 24 CFR 570.503.

**SECTION IV. Use of Program Funds.**

**A. Allocation of CDBG funds.** All funds received by County pursuant to this Agreement shall be identified and allocated, as described below, to the specific projects or activities set out in the application, and such allocated amounts shall be expended exclusively for such projects or activities; provided, however, that a different distribution may be made when required by HUD to comply with Title I of the Housing and Community Development Act of 1974, as amended.

- 1) Metropolitan Cities' Allocation.** Parties agree that County shall "pass through" the allocated CDBG funds to City as subrecipient within 30 days of written request by City to fund specific projects or programs, up to a total amount equal to that to which City would have been entitled had it applied separately as a "metropolitan city", using HUD allocation formulas as applied by County, and that no "administrative" fee or other fees will be deducted by County to meet its obligations under the terms of this Agreement. Further, with respect to such "pass through" funds, County agrees to fully cooperate and assist City in implementing City projects and activities.
- 2) Non-Metropolitan Cities' Allocation.** County agrees to allocate a portion of CDBG program funds to the non-Metropolitan, incorporated cities participating in the program. The amount of allocation per city shall be equal to that which the urban county formula award from HUD increases as a result of the HUD allocation formulas as applied by County.
- 3) Special Urban Projects Fund.** It is further agreed that County shall set aside a portion of CDBG funds as a Special Urban Projects Fund, available to all participating incorporated cities and the County in San Luis Obispo County on a competitive basis. Amount of the Fund shall equal fifteen (15) percent of of the urban county formula

CDBG funding after deducting the allocations for cities as described in paragraphs 1 and 2 above. The Special Urban Projects Fund shall be awarded annually by the County Board of Supervisors, following criteria developed jointly by County and the cities participating in the program.

- 4) **County allocation.** City agrees that urban county formula CDBG funds remaining after deducting allocations for cities and the Special Urban Projects Fund comprise the County allocation.

**B. Administrative and Public Services Costs.** County hereby acknowledges that City, as subrecipient, incurs certain administrative costs in preparing housing and economic development plans, program planning, management and accounting, professional support services, and other reasonable and necessary expenses to carry out City's plan; and further, County agrees that after "pass through" of CDBG program funds to City, County shall not use its remaining balance of funds in any way that would limit City's ability to use its CDBG funds to the maximum extent allowed by HUD for administrative, public service, or program purposes.

**C. Income Generated.** City shall notify the County of any income generated by the expenditure of CDBG funds received by the City. Such program income may be retained by City subject to the provisions of this Agreement, the Act and its Regulations. Any program income retained must only be used for eligible activities in accordance with all CDBG requirements as then apply.

**D. Use of Program Income.** County shall monitor the use of any program income, requiring appropriate record-keeping and reporting by the City as may be needed for this purpose, and shall report the use of such program income to HUD. In the event of close-out or change of