

RESOLUTION NO. 11-059

A RESOLUTION OF THE CITY COUNCIL OF PASO ROBLES  
APPROVING THE 2012 COOPERATION AGREEMENT BETWEEN THE CITY OF  
PASO ROBLES AND COUNTY OF SAN LUIS OBISPO  
TO PARTICIPATE IN THE FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT  
(CDBG), HOME INVESTMENT PARTNERSHIPS (HOME), EMERGENCY SHELTER  
GRANT (ESG), AND HOUSING FOR PERSONS WITH AIDS (HOPWA) PROGRAMS

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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), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG), and Housing for Persons with Aids (HOPWA) 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, HOME, ESG, and HOPWA programs; and

WHEREAS, on June 28, 2005, the City and County executed a cooperation agreement for the period July 1, 2006 through June 30, 2009 (the “2005 Cooperation Agreement”); and

WHEREAS, Section I.C of the 2005 Cooperation Agreement provided that said agreement will automatically renew for a new consecutive three-year term, i.e., through June 30, 2012, unless the City provides written notice that it elects not to participate in a new qualification period.

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

SECTION 1. Findings.

1. The 2012 Cooperation Agreement, attached hereto as Exhibit A, 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 2012 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, HOME, ESG, and HOPWA Programs under an "urban county" entitlement; thus making available funds for a variety of housing, economic development, and public services programs not otherwise available.
3. The Parties intend to annually adopt a Subrecipient Agreement, which will establish administrative policies and procedures, performance standards, and guidelines for block grant program implementation by the County and participating cities.
4. The 2012 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. Renewal of 2012 Cooperation Agreement.

Pursuant to Federal Regulations 24 CFR 570.501(b), et. seq., the City Council hereby approves the the 2012 Cooperation Agreement automatically be renewed as provided in Section I.C of said agreement.

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 Cooperation Agreement, on-going operation of the CDBG, HOME, ESG and HOPWA Programs, and other activities necessary to carry out the intent of the Cooperation Agreement.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 17th day of May 2011 by the following vote:

AYES: Hamon, Gilman, Steinbeck, Strong, Picanco  
NOES:  
ABSENT:  
ABSTAIN

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Duane Picanco, Mayor

ATTEST:

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Caryn Jackson, Deputy City Clerk

2. The 2012 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, HOME, ESG, and HOPWA Programs under an "urban county" entitlement; thus making available funds for a variety of housing, economic development, and public services programs not otherwise available.
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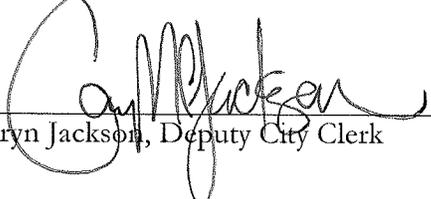
NOES:

ABSENT:

ABSTAIN

  
\_\_\_\_\_  
Duane Picanco, Mayor

ATTEST:

  
\_\_\_\_\_  
Caryn Jackson, Deputy 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, THE HOME INVESTMENT PARTNERSHIPS PROGRAM, THE EMERGENCY SOLUTIONS GRANT PROGRAM, AND THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM FOR FISCAL YEARS 2012 THROUGH 2014**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2011, 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; and

**WHEREAS**, Title I of the Act is entitled “Community Development” and governs programs for housing and community development within 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; and

**WHEREAS**, the Community Development Block Grant (CDBG) Program, the HOME Investment Partnerships (HOME) Program, the Emergency Solutions Grant (ESG) Program, and the Housing Opportunities for Persons with AIDS (HOPWA) Program are consolidated under Title I of the Act; and

**WHEREAS**, the County of San Luis Obispo has requested of the federal Department of Housing and Urban Development, hereinafter referred to as “HUD”, that the County be designated as an “urban county”; and

**WHEREAS**, the County needs to requalify as an urban county and will be eligible to receive CDBG funds provided that the County’s entitled cities defer their entitlement to the County to enable both the County and the entitlement cities to jointly participate in the program; and

**WHEREAS**, the City desires to participate jointly with the County in said program; and

**WHEREAS**, if HUD redesignates the County as an urban county, the County may also be eligible to receive funds from the Home Investment Partnership Program (hereinafter referred to as “HOME”), the Emergency Solutions Program (hereinafter referred to as “ESG”), and the Housing Opportunities for Persons with Aids Program (hereinafter referred to as “HOPWA”); and

**WHEREAS**, the 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; and

**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 of certifications; and

**WHEREAS**, by executing this Agreement, the Parties hereby give notice of their intention to participate in the urban county CDBG, HOME, ESG, and HOPWA programs.

**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 Director of the County of San Luis Obispo Department of Planning and Building (hereinafter referred to as “Director”) is hereby authorized to act as applicant for the CDBG, HOME, ESG, and HOPWA programs and to administer funding and activities under the programs. The City Manager is hereby authorized to act as the responsible officer of the City under the programs.
- 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 – Automatic Renewal Provision.** The term of this Agreement shall be for a period of three (3) years commencing July 1, 2012 through June 30, 2014. In addition, this Agreement provides for automatic renewal for participation in successive three-year qualification periods, unless the City provides written notice at least 60 days prior to the end of the term that it elects not to participate in a new qualification period. Before the end of the first three-year term, the County will notify the City in writing of its right not to participate in the urban county for a successive three-year term.

The Parties agree to adopt amendments to this Agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in an Urban County Qualification Notice by HUD for a subsequent three-year urban county qualification period, prior to the subsequent three-year extension of the term. Any amendment to this Agreement shall be submitted to HUD as required by the regulations and any failure to adopt required amendments will void the automatic renewal of the Agreement for the relevant qualification period.

The Agreement remains in effect until the CDBG, HOME, ESG, and HOPWA program funds and income received with respect to the three-year qualification period, and the subsequent three-year renewals 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 Solutions 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, 2012, 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, 2012.

- 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.

**SECTION III. Program Administration.**

- A. **Program Authorization.** County Administrator is hereby authorized to carry out activities that will be funded from the annual CDBG, HOME, ESG, and HOPWA programs from fiscal years 2012, 2013, and 2014 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 the County shall thereby become legally liable and responsible thereunder for the proper performance of the plan and CDBG, HOME, ESG, and HOPWA under 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 make available to City a total amount of CDBG funds equal to that which City would have been entitled had it applied separately as a "metropolitan city", using HUD allocation formulas as applied by County. No "administrative" fee or other fees will be deducted by the County to meet its obligations under the terms of this Agreement. Further, with respect to the availability of the

funds, County agrees to fully cooperate and assist City in expending such funds.

- 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 Project 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 on a competitive basis. Amount of the Fund shall equal fifteen (15) percent of the urban county formula CDBG funding after deducting the allocation for cities as described in paragraph 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. **Availability of Funds.** County agrees to make CDBG funds available to all participating incorporated cities when HUD makes the CDBG funds available to it. The County shall immediately notify the participating incorporated cities of the availability of the funds.

It is understood by the Parties hereto that the CDBG funds being used for the purposes of this Agreement are funds furnished to the County, through HUD pursuant to the provisions of the Act. Notwithstanding any other provision of this Contract, the liability of the County shall be limited to CDBG funds available for the Project. The City understands that the County must wait for release of CDBG funds from HUD before CDBG funds may be advanced or reimbursed. The County shall incur no liability to the City, its officers, agents, employees, suppliers, or contractors for any delay in making any such payments.

- C. **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 the availability 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.

- D. **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 they apply.
- E. **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 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. In the event that the City withdraws from the urban county to become an entitlement grantee, as provided under 24 CFR 570.504, all program income on hand or received by the City from urban county activities shall be retained by the City to be used as additional CDBG funds subject to all applicable requirements governing the use of CDBG funds.
- F. **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 and comply with the provisions of 24 CFR 570.505.
- G. **Fair Housing Implementation.** Parties agree that no urban county funding shall be allocated or expended for activities in or in support of any cooperation 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 between the County and the City as to the allocations, disbursement, use, or reimbursement of CDBG funds, the Parties agree to accept HUD's written determination as to the appropriate resolution or disposition of funds to the extent HUD is willing to resolve such disagreement.

**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, which will list the project(s) City will undertake with its CDBG entitlement funds during that program year. Said Subrecipient 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 County may extend the schedule for project completion, as allowed by federal regulations.

- B. **Amendments.** Any amendments to the Agreement shall be in writing. Parties agree that any such 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 certifications 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 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) Provide 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) Provide 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 of 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.
- 6) Identifies the use of non-traditional methods of community outreach, including the provision of CDBG documents in a user-friendly format, including but not limited to Braille, large print, oral format, and delivering copies to homebound individuals.

**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 or 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) **Certifications 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 City certifies that it has adopted and is 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 Director is 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 certification executed by the Director 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.

**NOW, THEREFORE,** the Parties hereto have caused this Cooperation Agreement to be executed and attested by their proper officer thereunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

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 laws, 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: \_\_\_\_\_  
Whitney McDonald, Deputy County Counsel

Date: \_\_\_\_\_

COUNTY OF SAN LUIS OBISPO

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

Date: \_\_\_\_\_

ATTEST:

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

Date: \_\_\_\_\_

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CITY OF EL PASO DE ROBLES

\_\_\_\_\_  
DUANE PICANCO, MAYOR

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
DENNIS FANSLER CITY CLERK

Date: \_\_\_\_\_  
APPROVED AS TO CONTENT:

\_\_\_\_\_  
JAMES L. APP, CITY MANAGER

Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
IRIS P. YANG, CITY ATTORNEY

Date: \_\_\_\_\_