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2
3 COOPERATION AGREEMENT
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7 THIS AGREEMENT is entered into this _____ day of _____, _____

8 BY AND BETWEEN

9 CITY OF «Cities», a municipal
10 Corporation, hereinafter referred to as CITY,

11 AND

12 COUNTY OF ORANGE, a political
13 subdivision of the State of California and
14 recognized Urban County under the Federal
15 Housing and Community Development Act
16 of 1974 (Public Law 93-383), as amended,
17 hereinafter referred to as "COUNTY".
18

19 RECITALS

20 WHEREAS, Title I of the Housing and Community Development Act of 1974 (Public
21 Law 93-383), as amended, hereinafter referred to as ACT, makes available to the COUNTY as an
22 Urban County, and to cities under 50,000 in population, grants through the Community
23 Development Block Grant Program (hereinafter referred to as "CDBG"), and the HOME
24 Investment Partnership Program (hereinafter referred to as "HOME"), and any subsequent United
25 States Department of Housing and Urban Development (hereinafter referred to as "HUD")
26 Program which may become available to the COUNTY to be used for eligible housing and
27 community development activities; and

28 WHEREAS, the ACT requires such cities and the COUNTY to enter into cooperation
29 agreements in order for the cities to be included as part of the Urban County CDBG and HOME
30 Programs; and

31 WHEREAS, the COUNTY and CITY desire to cooperate to undertake, or assist in
32 undertaking, community development and lower income housing assistance activities, which
33 might include, but are not limited to, (1) acquisition of property for disposition for private reuse,
34 especially for low- and moderate-income housing, (2) direct rehabilitation of or financial

1 assistance to housing, (3) low rent housing activities, (4) disposition of land to private developers
2 for appropriate redevelopment, and (5) condemnation of property for low income housing

3 NOW, THEREFORE, the parties agree as follows:

4 1. This Agreement shall constitute a cooperation agreement between the parties
5 within the meaning of Section 102 (a)(b) of the ACT. The parties agree to cooperate to
6 undertake, or assist in undertaking, activities which might include, but are not limited to, (1)
7 acquisition of property for disposition for private reuse, especially for low- and moderate-income
8 housing, (2) direct rehabilitation of or financial assistance to housing, (3) low rent housing
9 activities, (4) disposition of land to private developers for appropriate redevelopment, and (5)
10 condemnation of property for low income housing-community.

11 2. COUNTY shall have the authority to carry out activities, which will be funded
12 from annual CDBG or HOME Program funds appropriated for Federal Fiscal Years 2006-2007,
13 2007-2008, and 2008-2009 and from any program income generated from the expenditure of such
14 funds.

15 3. COUNTY shall have final responsibility for selecting activities and annually filing
16 the grant application (i.e. Annual Action Plan) with HUD. In the preparation of said application,
17 COUNTY shall give due consideration to CITY's analysis of community development needs and
18 proposed activities.

19 4. COUNTY certifies that it is following an adopted Consolidated Plan as required by
20 24 CFR Part 91 and 24 CFR Part 570.306.

21 5. Since HUD will not accept an Agreement including a provision for veto or other
22 restriction which would allow any party to obstruct implementation of the Consolidated Plan,
23 both COUNTY and CITY shall attempt to fulfill housing goals established by the HUD approved
24 Consolidated Plan for the period of this Agreement.

25 6. CITY acknowledges that it has adopted and is enforcing:

26 a. A policy prohibiting the use of excessive force by law enforcement agencies
27 within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations;
28 and

29 b. A policy of enforcing applicable State and local laws against physically barring
30 entrance to or exit from a facility or location which is the subject of such non-violent civil rights
31 demonstrations within jurisdictions.

1 7. COUNTY and CITY agree to take all actions necessary to ensure compliance with
2 the Urban County's certification required by Section 104 (b) of Title I of the Housing Community
3 Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, the
4 Fair Housing Act, Section 109 of Title I of the Housing and Community Development Act of
5 1974, and other applicable laws. Failure by CITY to comply with these provisions or to
6 affirmatively further fair housing within its own jurisdiction or CITY action which impedes the
7 COUNTY's actions to comply with the COUNTY's fair housing certification, which may
8 constitute noncompliance with the Urban County CDBG and HOME Programs, which may cause
9 funding sanctions or other remedial actions by HUD and/or COUNTY.

10 8. In the event COUNTY's Urban County application is approved by HUD,
11 COUNTY shall contract with the CITY to utilize any such grant funds received from HUD which
12 are attributable to activities administered by CITY, unless another form of allocation is required
13 by HUD.

14 9. This Agreement shall cover Program Years 32, 33 and 34 (Fiscal Years 2006-
15 2007, 2007-2008 and 2008-2009, respectively) of CDBG and HOME program applications,
16 including any subsequent Supplemental sources (Paragraph 23 below). In no event shall this
17 agreement be terminated by either party before June 30, 2009, except as allowed in legislation
18 enacted by the U.S. Congress for termination or withdrawal from the Urban County Program and
19 as permitted by HUD.

20 10. In accordance with HUD Notice CPD 05-01, this agreement will be automatically
21 extended for an additional three (3) year period (i.e. from July 1, 2009 to June 30, 2012) unless
22 COUNTY or CITY provides written notice that it elects not to participate in a new qualification
23 period. COUNTY shall notify CITY in writing of its right not to participate no later than the date
24 specified in HUD's Urban County Qualification Notice for the next qualification period.

25 11. CITY and COUNTY agree to adopt amendment(s) to this Agreement as may be
26 required by HUD to meet any new Urban County Qualification requirement(s) subsequent to June
27 30, 2009. The COUNTY will notify CITY of its right to terminate its participation in the program
28 based on the adoption of any such amendment. If either CITY or COUNTY refuses to adopt any
29 such amendment, this automatic renewal provision herein will be void.

30 12. The eligible activities to be undertaken during the term of this Agreement will be
31 chosen by CITY from those authorized by HUD Rules and Regulations governing the CDBG and

1 HOME Programs and any regulations which may be applicable to future Supplemental Federal
2 Programs.

3 13. The parties agree to comply with the requirement(s) of the CDBG and HOME
4 Programs, including laws and policies applicable to said Programs.

5 14. CITY acknowledges by its execution of CDBG and HOME cooperation
6 agreement(s) the included unit of general local government it:

7 a. May not apply for grants from appropriations under the Small Cities or State
8 CDBG Programs for fiscal years during the period in which it participates in the COUNTY'S
9 CDBG program and;

10 b. May not participate in a HOME consortium except through the Urban County,
11 regardless of whether the Urban County currently received a HOME formula allocation.

12 c. May not terminate or withdraw from the Cooperation Agreement while it
13 remains in effect until the CDBG and HOME funds and income received with respect to the
14 three-year qualification period (and any successive qualification periods under agreements that
15 provide for automatic renewals) are expended and the funded activities completed.

16 15. a. CITY must inform COUNTY, through periodic reports requested by COUNTY,
17 of any income generated by the expenditure of Program funds received by the CITY. Pursuant to
18 applicable federal requirements, such program income must be paid to the COUNTY. CITY may
19 retain such program income only if agreed upon by COUNTY and used exclusively for eligible
20 activities as determined by the COUNTY and in accordance with all CDBG and HOME Program
21 requirements as may then apply.

22 b. CITY shall keep and maintain appropriate records on the use of program income
23 as required by COUNTY as the COUNTY has the responsibility of monitoring and reporting
24 program income to HUD.

25 c. In the event of close-out or change in status of CITY, any program income at that
26 time or received subsequent to the close-out or change in status shall be paid by CITY to the
27 COUNTY within ninety (90) days after the expiration of the term of this Agreement.

28 16. a. Any proposed modification or change of use of any real property acquired or
29 improved in whole or in part by the CITY using CDBG funds (from the use planned at the time of
30 acquisition or improvement), including disposition, must be reported by CITY to the COUNTY.

1 COUNTY may approve the proposed modification or change of use. CITY shall not implement
2 the modification or change in use without COUNTY approval.

3 b. Should the disposition, sale or transfer of such real property acquired or
4 improved in whole or in part using CDBG or HOME Program funds result in a use which does not
5 qualify under CDBG or HOME Program regulations, the CITY shall reimburse COUNTY in the
6 amount equal to the then current fair market value of the property (less any portion thereof
7 attributable to expenditure of non-CDBG/HOME funds).

8 c. Any program income generated from the disposition, transfer or sale of such
9 property prior to or subsequent to the close-out, change of status or termination of the cooperation
10 agreement between the COUNTY and CITY may be either used by CITY for other specific
11 eligible activities in the CITY or paid to the COUNTY for other eligible Urban County activities,
12 as determined in advance of the expenditure at the discretion of the COUNTY.

13 17. a. CITY shall indemnify, hold harmless, and defend with counsel approved in
14 writing by COUNTY, its officers, agents and employees against all liability, claims, losses,
15 demands and actions for injury to or death of persons or damage to property arising out of or
16 alleged to arise out of or in consequence of this Agreement including attorneys' fees, provided
17 such liability, claims, demands, losses or actions are due to the acts or omissions of CITY, its
18 officers, agents or employees in the performance of this Agreement, including any activities
19 conducted by CITY under its application.

20 b. In addition, CITY shall indemnify, defend with counsel approved in writing by
21 COUNTY, and hold harmless COUNTY against any liability, claims, losses, demands, and actions
22 including attorneys' fees incurred by COUNTY as a result of a determination by HUD that
23 activities undertaken by CITY under CITY's application failed to comply with any laws,
24 regulations, or policies applicable thereto or that any funds forwarded to CITY under this
25 Agreement were improperly expended.

26 c. The provisions of Section 2778 of the California Civil Code, as said section
27 exists on the effective date of this Agreement, shall be applicable to the above indemnification
28 provisions. Transmittal to CITY of any pleadings served upon COUNTY shall be deemed to be a
29 request to defend.

30 18. a. COUNTY shall indemnify, hold harmless and defend with counsel approved in
31 writing by CITY, its officers, agents and employees against all liability, claims, losses, demands

1 and actions for injury to or death of persons or damage to property arising out of or alleged to arise
2 out of or in consequence of this Agreement, provided such liability, claims, demands, losses or
3 actions are due to the acts or omissions of COUNTY, its officers, agents or employees in the
4 performance of this Agreement, including any activities conducted by COUNTY under its
5 application.

6 b. In addition, COUNTY shall indemnify, defend with counsel approved in
7 writing by CITY, and hold harmless CITY against any liability, claims, losses, demands, and
8 actions incurred by CITY as a result of a determination by HUD that activities undertaken by
9 COUNTY under COUNTY's application failed to comply with any laws, regulations, or policies
10 applicable thereto or that any funds forwarded to COUNTY under this Agreement were improperly
11 expended.

12 c. The provisions of Section 2778 of the California Civil code, as said section exists
13 on the effective date of this Agreement, shall be applicable to the above indemnification
14 provisions. Transmittal to COUNTY of any pleadings served upon CITY shall be deemed to be a
15 request to defend.

16 19. COUNTY shall have the right to periodically audit CITY's records to determine
17 compliance with this Agreement.

18 20. CITY shall forward to COUNTY a copy of each annual audit of the CITY
19 conducted by an independent public auditor during the period of this Agreement as soon as the
20 audit report becomes available. COUNTY shall have the right to ensure that necessary corrective
21 actions are made by CITY for any audit findings pertinent to CITY handling of CDBG Program
22 funding pursuant to federal requirements.

23 21. No CDBG or HOME Program funds shall be expended on any activity, which does
24 not affirmatively further fair housing goals within CITY.

25 22. Pursuant to 24 CFR Part 570.501(b) of CDBG and 24 CFR Part 92.504 of HOME
26 program regulations, CITY is subject to all requirements applicable to subrecipients, including the
27 requirement of a written agreement set forth in 24 CFR Part 570.503 of CDBG and 24 CFR Parts
28 92.505-509 of HOME program regulations.

29 23. This Cooperation Agreement shall apply to any supplemental program which
30 HUD makes available through the CDBG or the HOME Programs.

1 24. CITY may void this Agreement only if it submits to COUNTY on or before July
2 08, 2005 the notification from HUD that CITY has qualified as a “Metropolitan City” or an
3 “Entitlement City” prior to the completion of the re-qualification process for Fiscal Years 2006-
4 2007, 2007-2008, 2008-2009. Upon such notification by HUD, CITY also must submit to
5 COUNTY and HUD written notification of its decision to either remain in the Urban County
6 Program as a “Metropolitan City” or become an “Entitlement City” as a separate entity.

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IN WITNESS WHEREOF, CITY has caused this Agreement to be executed by its Mayor/City Manager and attested by its City Clerk; COUNTY has caused this Agreement to be executed by the Director of the Housing and Community Services Department; each having been duly authorized by the CITY Council and the COUNTY Board of Supervisors, respectively.

ATTEST:

City of _____, a municipal Corporation in the State of California
By: _____
Name:
Title: Mayor
Date: _____

By: _____
Name:
Title: City Clerk
Date: _____

COUNTY OF ORANGE, a political subdivision of the State of California

By: _____
Paula Burrier-Lund, Director
Housing and Community Services Department
Date: _____

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ORIGINAL FORM CONTRACT
APPROVED AS TO FORM and REQUIRED COUNTY COUNSEL STATEMENT:

“The terms and provisions of the agreement are fully authorized under State and local law and the agreement provides full legal authority for the County.”

By: _____ Date: