



## MEMORANDUM

**TO:** CITY COUNCIL

**FROM:** TERESA McCLISH, COMMUNITY DEVELOPMENT DIRECTOR

**BY:** KELLY HEFFERNON, ASSOCIATE PLANNER

**SUBJECT:** CONSIDERATION OF A COOPERATION AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF ARROYO GRANDE FOR JOINT PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE HOME INVESTMENT PARTNERSHIPS PROGRAM, AND THE EMERGENCY SOLUTIONS GRANT PROGRAM FOR FISCAL YEARS 2018 THROUGH 2020

**DATE:** JUNE 13, 2017

### **RECOMMENDATION:**

It is recommended that the City Council adopt a Resolution approving the Cooperation Agreement between the County of San Luis Obispo and the City of Arroyo Grande for joint participation in the Community Development Block Grant Program, the Home Investment Partnerships Program, and the Emergency Solutions Grant Program for Fiscal Years 2018 through 2020.

### **IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:**

The City's estimated allocation for the 2017 Community Development Block Grant (CDBG) is \$73,446. This estimate is equal to the final adjusted figure for the 2016 fiscal year minus a 2.8% decrease. Assuming the same reductions will occur in future years, it is estimated the CDBG allocation for the City will be approximately \$71,390 in 2018, \$69,391 in 2019 and \$67,448 in 2020.

The Cooperation Agreement (Agreement) includes the previous provision under Section IV(A) specifying that thirteen percent (13%) of the City's CDBG allocation for administrative costs be retained by the County to offset its overall costs to administer the program. The City would retain seven percent (7%) of the total CDBG allocation for administration.

### **BACKGROUND:**

The Agreement will allow the City to continue its participation with the County and other participating cities in the federal Community Development Block Grant Program, the Home Investment Partnerships Program (HOME), and the Emergency Solutions Grant Program. The term of this Agreement is for a period of three (3) years commencing July 1, 2018 through June 30, 2021.

## **CITY COUNCIL**

### **CONSIDERATION OF A COOPERATION AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF ARROYO GRANDE FOR JOINT PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

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Prior to the City's participation in the Urban County Program, the City was successful in obtaining both CDBG housing and economic development grants on a competitive basis using specialized consultants. Under the State CDBG program, eligible cities can compete for up to \$1,500,000 in Community Development (CD) allocations. Eligible activities for CD grants include housing, public improvements, community facilities, public services, and planning and technical assistance. The State CDBG program also provides grants of up to \$500,000 for Economic Development, including loans to businesses, grants for publicly-owned infrastructure and microenterprise assistance. The City has participated in the Urban County Program since 2000.

#### **ANALYSIS OF ISSUES:**

The County Consortium participating in the Urban County Program receives a predictable, formula-based annual grant and there is a wider range of uses for the Federal CDBG funds. The tradeoff is that the City will not be able to apply, through a highly competitive process, for a potentially greater amount of State administered funds during the term of the Agreement. Since the City does not have any census tracts that are low income, staff does not believe the City would be highly competitive.

With respect to the HOME program, the City, or a Community Housing Development Organization, such as People's Self Help Housing (PSHH), can apply to the State for up to \$1,000,000 annually for affordable housing projects. The HOME program is an annual statewide competition. Should the City continue in the San Luis Obispo Urban County program, the City cannot apply for these grants. However, PSHH, or a similar nonprofit organization, can apply directly to the County to fund a project located in the City.

County staff largely handles administration of the CDBG program, but the City is authorized to use up to 20% of its allocation for the cost of staff time if needed. Since 2011, the City has authorized the County to administer the City's public service grants using a portion of the City's CDBG administration funds. Consistent with the previous agreement, the proposed agreement allows the County to retain 13% of the City's administrative funds and the City would keep the remaining 7%. Below are excerpts from the County's FY 2016 - 17 Budget that help to support the 13% retention of the City's CDBG Administration funding (more about SLO County's 2016/17 Land Based Budget can be found at: <http://www.slocounty.ca.gov/Assets/AD/Budget/2016-17+Budget/2016-17+final+land+based.pdf>)

*Staffing to administer the HUD grant programs and contracts funded with General Fund support is budgeted in Fund Center 142 - Planning and Building. In FY 2016-17, \$416,532 in funding will be transferred to Planning and Building to support the cost of administering these programs. As previously reported to the Board of Supervisors, funding levels for HUD grants have declined over the past few years, while the administrative requirements for these grants have expanded. After four*

## **CITY COUNCIL**

### **CONSIDERATION OF A COOPERATION AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF ARROYO GRANDE FOR JOINT PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

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*onsite monitoring visits, HUD strongly encouraged the County to assume grant administration responsibilities for the CDBG funds, which are allocated for use by the participating cities. In FY 2014-15, the County and six cities approved three-year cooperation agreements assigning CDBG grant administration responsibilities to the County along with increased CDBG revenue to help cover the administration costs. For FY 2015-16, the County will retain \$130,917 of the cities' share of general administration funds to administer the cities' CDBG funds.*

*HUD also directed the County to implement additional administrative tasks making it difficult for Planning and Building to reduce costs to match the level of funding provided in these grants. This situation results in an impact to the General Fund of approximately \$232,463 in FY 2016-17. This is down from \$254,518 in FY 2015-16. Staff continues to pursue options to reduce administrative workload in order to reduce the impact to the General Fund.*

Similar to the previous Cooperative Agreement, the proposed Agreement specifies that the City shall not recommend an individual CDBG award of less than \$8,000 for public service activities due to the staff cost of processing such awards in compliance with federal monitoring, reporting and other administrative requirements. Because the City does not allocate funds for this CDBG category and instead provides funding to local non-profits through the Jim Guthrie Community Service Grant Program, restrictions under the CDBG public service activities have limited impact to the City. This would not be the case if the City chose to eliminate this local grant program.

If the City Council decides to approve the Agreement, it must be executed and transmitted to the County by June 14, 2017. The County Board of Supervisors is scheduled to consider the Agreement on July 11, 2017.

#### **ALTERNATIVES:**

The following alternatives are provided for the Council's consideration:

- Adopt the Resolution approving the Agreement;
- Modify as appropriate and adopt the Resolution;
- Do not adopt the Resolution; or
- Provide direction to staff.

#### **ADVANTAGES:**

Continuation of the Agreement will allow the Council to consider funding programs that provide important public services and programs using CDBG funds. Participation in the County program will guarantee the City will receive a specified amount of funding.

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**DISADVANTAGES:**

Continuation of the Agreement does not allow the City to compete for substantial statewide CDBG funds for general and economic development projects, which could exceed the amount received through the County program. However, staff does not believe the City would be competitive in the statewide CDBG program given the lack of low income census tracts that are needed to qualify.

**ENVIRONMENTAL REVIEW:**

No environmental review is required for this item.

**PUBLIC NOTIFICATION AND COMMENTS:**

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2. At the time of report publication, no comments have been received.

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING A COOPERATION AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF ARROYO GRANDE FOR JOINT PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE HOME INVESTMENT PARTNERSHIPS PROGRAM, AND THE EMERGENCY SOLUTIONS GRANT PROGRAM FOR FISCAL YEARS 2018 THROUGH 2020**

**WHEREAS**, The County of San Luis Obispo (“County”), a political subdivision of the State of California, and the City of Arroyo Grande (“City”) a municipal corporation, desire to participate in the Community Development Block Grant (CDBG) program administered by the U.S. Department of Housing and Urban Development (HUD); and

**WHEREAS**, said program will promote the public health, safety and welfare by providing grant funds to be used by the City and County 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 desires to continue to participate jointly with the County in said program; and

**WHEREAS**, HUD requires that the parties enter into a Cooperation Agreement between the County of San Luis Obispo and the City of Arroyo Grande for joint participation in the Community Development Block Grant Program, the Home Investment Partnerships Program, and the Emergency Solutions Grant Program for Fiscal Years 2018 through 2020 to define their rights and obligations as a prerequisite to participation in the CDBG program; and

**WHEREAS**, 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

**WHEREAS**, 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 program under an “urban county” entitlement; thus making available funds for a variety of housing, economic development, and public services programs not otherwise available; and

**RESOLUTION NO.**

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**WHEREAS**, The City and County enter into yearly subrecipient agreements which establish administrative policies and procedures, performance standards, and guidelines for funding specific CDBG programs and projects; and

**WHEREAS**, The proposed cooperation agreement is not a “project” for purposes of compliance with the provisions of the California Environmental Quality Act (CEQA) and the City’s CEQA Guidelines.

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Arroyo Grande, California, as follows:

1. The City Council hereby approves and authorizes the Mayor to enter into the Cooperation Agreement with the County to enable joint participation in HUD’s CDBG program in the form attached hereto as Exhibit “A”.
2. The City Manager is hereby authorized to act on behalf of the City in connection with the implementation of the agreement, ongoing operation of the CDBG program, and other activities necessary to carry out the intent of the cooperation agreement.

On motion of Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and on the following roll call vote, to wit:

**AYES:**

**NOES:**

**ABSENT:**

the foregoing Resolution was passed and adopted this \_\_\_\_ day of \_\_\_\_\_ 2017.

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**JIM HILL, MAYOR**

**ATTEST:**

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**KELLY WETMORE, CITY CLERK**

**APPROVED AS TO CONTENT:**

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**JAMES A. BERGMAN, CITY MANAGER**

**APPROVED AS TO FORM:**

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**HEATHER K. WHITHAM, CITY ATTORNEY**

**A COOPERATION AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF ARROYO GRANDE FOR JOINT PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE HOME INVESTMENT PARTNERSHIPS PROGRAM, AND THE EMERGENCY SOLUTIONS GRANT PROGRAM FOR FISCAL YEARS 2018 THROUGH 2020**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between the County of San Luis Obispo, a political subdivision of the State of California, hereinafter called "County," and the City of Arroyo Grande, 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." The 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 Program (hereinafter referred to as "CDBG"), the HOME Investment Partnerships Act Program (hereinafter referred to as "HOME"), and the Emergency Solutions Grant Program (hereinafter referred to as "ESG") are consolidated under Title I of the Act; and

**WHEREAS**, the County has requested of the federal Department of Housing and Urban Development, hereinafter referred to as "HUD," designate the County 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, then the County may also be eligible to receive funds from the HOME Program and the ESG Program; and

**WHEREAS**, the CDBG Regulations issued pursuant to the Act provide qualified urban counties must submit an application to the HUD for funds, and 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, and ESG 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, and ESG 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, 2018 through June 30, 2021. 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 this Agreement for the relevant qualification period.

This Agreement remains in effect until the CDBG, HOME, and ESG 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 this Agreement while this 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 Program, the HOME Program, and the ESG Program.

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

- A. **Inclusion of City as Applicant.** The Parties agree the City shall be included in the application the County shall submit to HUD for Title I Housing and Community Development Block funds under the Act.
- B. **Consolidated Plan.** The 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 the City in the County's consolidated plan.
- C. **Application Submittal.** The 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, 2018, and to hold public hearings as required to meet HUD requirements.

- D. **County Responsibility.** Parties agree 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, 2018.
- E. **Grant Eligibility.** In executing this Agreement, the Parties understand 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, or ESG Programs except through the urban county.

### **SECTION III. Program Administration.**

- A. **Program Authorization.** The Director is hereby authorized to carry out activities that will be funded from the annual CDBG, HOME, and ESG Programs from fiscal years 2018, 2019, and 2020 appropriations and from any program income generated from the expenditure of such funds.
- B. **Responsibilities of Parties.** The Parties agree the County shall be the governmental entity required to execute any grant agreement received pursuant to the CDBG, HOME, and ESG applications, and subject to the limitations set out in this Agreement, the County shall thereby become liable and responsible thereunder for the proper performance of the plan and CDBG, HOME, and ESG under County programs. County agrees to perform program administrative tasks such as environmental clearance under the National Environmental Policy Act (NEPA), subrecipient agreements and monitoring of subrecipients. The City agrees to act in good faith and with due diligence in performance of the City obligations and responsibilities under this Agreement and under all subrecipient agreements. The 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.** The 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 the 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.** The Parties agree the County shall make available to the City a total amount of CDBG funds equal to that which the City would have been entitled had it applied separately as a "metropolitan city," using HUD allocation formulas as applied by the County, except that an amount equal to thirteen (13) percent of the Metropolitan Cities' allocations of CDBG funds will be deducted by the County to meet its obligations under the terms of this Agreement and/or HUD requirements for administrative costs. Further, with respect to the availability of the funds, the County agrees to fully cooperate and assist the City in expending such funds.
  - 2) **Non-Metropolitan Cities' Allocation.** The 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 the County, except that an amount equal to thirteen (13) percent of the Non-Metropolitan Cities' allocations of CDBG funds will be deducted by the County to meet its obligations under the terms of this Agreement and/or HUD requirements for administrative costs.
  - 3) **Urban County.** Parties shall not recommend a CDBG award of less than \$8,000 for any one project or program due to the staff cost of processing such awards in compliance with federal requirements. A project or program recommended to receive an amount less \$8,000 can still receive an award if any other Party or Parties make an award, which is aggregated to be greater than \$8,000.
- B. **Availability of Funds.** The County agrees to make CDBG funds available to all participating incorporated cities as set out here 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, 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 Agreement, 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.** The County hereby acknowledges the 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 the City's plan; and further, the County agrees that after the availability of CDBG program funds to the City, the County shall not use its remaining balance of funds in any way that would limit the 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.** The 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 the 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.** The 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.** The 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) calendar days of such change of use and comply with the provisions of 24 CFR 570.505.

- G. **Fair Housing Implementation.** The Parties agree 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 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.
- I. **Consolidated and Further Continuing Appropriations Act.** The City may not sell, trade, or otherwise transfer all of any portion of CDBG funds to another metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under Title I of the Act.
- J. **Special Provisions for the Urban County.**
  - (1) To affirmatively further fair housing and implement the Analysis of Impediments to Fair Housing Choice or better known as the Fair Housing Plan, the cities are encouraged to contribute CDBG funds to affordable housing projects when there is an eligible CDBG component in the proposal that is located within the city's jurisdiction.
  - (2) The County will enforce remedies for noncompliance pursuant to 2 CFR Part 200.338 and allowed per 2 CFR Part 200.207 by pulling CDBG funds for underperforming projects or programs not implemented during agreed timeframe identified in the subrecipient agreement.

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

- A. **Subrecipient Agreement.** For each fiscal year during the term of this Agreement, the County and the City shall enter into a Subrecipient Agreement, prepared jointly by the County and the City, which identifies a project or program that the County will administer with the City's CDBG entitlement funds during that program year. The

Subrecipient Agreement will set forth the project changes, time schedule for completion of the project(s), deliverable checklist, 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, then the County may extend the schedule for project completion, as allowed by federal regulations.

- B. **Amendments.** Any amendments to this Agreement shall be in writing. Parties agree 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.** The Parties agree to take all actions necessary to assure compliance 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, regarding Title VI of the Civil Rights Act of 1964, the Fair Housing Act, affirmatively furthering fair housing, 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.** The 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.** The 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. The 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.** The 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 the County on reasonable notice during the normal business hours of the City.

**NOW, THEREFORE**, the Parties hereto have caused this 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 this 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.

APPROVED AS TO FORM AND EFFECT:

RITA L. NEAL  
County Counsel

BY: \_\_\_\_\_  
Deputy County Counsel

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

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

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

ATTEST:

\_\_\_\_\_  
Tommy Gong, County Clerk

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

**NOW, THEREFORE**, the Parties hereto have caused this 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.

CITY OF ARROYO GRANDE

\_\_\_\_\_  
JIM HILL, MAYOR

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

ATTEST:

\_\_\_\_\_  
KELLY WETMORE, CITY CLERK

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

APPROVED AS TO CONTENT:

\_\_\_\_\_  
JAMES A. BERGMAN, CITY MANAGER

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

APPROVED AS TO FORM:

\_\_\_\_\_  
HEATHER K. WHITHAM, CITY ATTORNEY

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

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