



**To:** Mayor & City Council

**Agenda Item #:** IV. C.

**From:** Joyce Repya, Senior Planner

**Action**

**Discussion**

**Information**

**Date:** July 1, 2014

**Subject:** Fiscal Year 2015-2017 Joint Cooperation Agreement/Community Development Block Grant (CDBG) Renewal - Resolution No. 2014-71

**Action Requested:**

Approve Fiscal Year 2015-2017 Joint Cooperation Agreement/Community Development Block Grant (CDBG) Program

**Information / Background:**

Every three years a new agreement is required between the City of Edina and Hennepin County to govern the receipt and expenditure of Community Development Block Grant (CDBG) funds for the period of the agreement. The purpose of the agreement is to set forth broad shared powers for carrying out housing and community development activities. HUD requires this agreement in order for Hennepin County to qualify as an urban county and receive CDBG Program entitlement funds. The existing agreement pertaining to FY 2012-2014 expires at the end of the year.

Since FY 2009-2011 the agreement has remained unchanged and participation has been automatically renewed without requiring the execution of another agreement and resolution. In fact, the city received a letter from Hennepin County dated April 1, 2014, reflecting the automatic renewal of the agreement for the Fiscal Year 2015-2017. However since then, HUD released Notice CPD-13-04 dated April 25, 2014 which requires changes to the Joint Cooperation Agreement for 2015-2017.

The attached 2015-2017 Joint Cooperation Agreement reflects the following changes:

- 1) The addition of language stating that the agreement covers not only the CDBG Entitlement program and the HOME Investment Partnership (HOME), but also the **Emergency Solutions Grants (ESG) programs**.
- 2) The addition of a provision that a unit of general local government may not sell, trade, or otherwise transfer all or any portion of such funds to another such 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. This new requirement is contained in the FY2014 HUD appropriation bill.

3) Clarification of Fair Housing language.

Also, the County is taking this opportunity to move contract term language specific to the CDBG contract year from the Joint Cooperation Agreement, Section D to the annual CDBG Subrecipient contracts for awards starting in FY 2015.

And lastly, the Planning and Administrative cost language has been expanded to reflect the County's growing costs associated with compliance and timeliness monitoring, and the potential need for future increases. The current 13% which has been in effect since 2002 will increase to 20% (the maximum allowed by HUD).

Due to the aforementioned changes imposed by HUD, Hennepin County has asked the city to provide a resolution and sign the execution page of the amended Joint Cooperation Agreement for 2015-2017, attesting to the city's approval of the revised Agreement.

**ATTACHMENTS:**

- A. Resolution 2014-71**
- B. Letter from Hennepin County**
- C. Joint Cooperation Agreement - Contract No. 140805**
- D. Joint Cooperation Agreement - Reflecting Changes**



RESOLUTION NO. 2014-71  
AUTHORIZING THE EXECUTION OF A JOINT COOPERATION AGREEMENT BETWEEN  
THE CITY OF EDINA AND HENNEPIN COUNTY FOR PARATICIPATION IN THE URBAN  
HENNEPIN COUNTY COOMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM IN  
FY 2015 - 2017

WHEREAS, the City of Edina, Minnesota and the County of Hennepin have in effect a Joint Cooperation Agreement for purposes of qualifying as an Urban County under the United States Department of Housing and Urban Development Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG) Program, and HOME Investment Partnerships (HOME) Programs; and

WHEREAS, The City and County wish to execute a new Joint Cooperation Agreement in order to continue to qualify as an Urban County for purposes of the Community Development Block Grant, ESG and HOME programs.

BE IT THEREFORE RESOLVED that a new Joint Cooperation Agreement between the City and County be executed effective October 1, 2014 and that the Mayor and the City Manager be authorized and directed to sign the Agreement on behalf of the City.

Passed and adopted this \_\_\_\_ day of \_\_\_\_\_, 2014

Attest: \_\_\_\_\_  
Debra A Mangen, City Clerk

\_\_\_\_\_   
James B. Hovland, Mayor

STATE OF MINNESOTA )  
COUNTY OF HENNEPIN )SS  
CITY OF EDINA )

CERTIFICATE OF CITY CLERK

I, the undersigned duly appointed and acting City Clerk for the City of Edina do hereby certify that the attached and foregoing Resolution was duly adopted by the Edina City Council at its Regular Meeting of July 1, 2014, and as recorded in the Minutes of said Regular Meeting.

WITNESS my hand and seal of said City this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
City Clerk



Hennepin County Department of Housing, Community Works & Transit

701 Fourth Avenue South, Suite 400  
Minneapolis, Minnesota 55415

612-348-9260, Phone  
612-348-9710, Fax  
www.hennepin.us

Attachment  
"B"

June 4, 2014

Mr. Scott Neal  
City Manager  
City of Edina  
4801 West 50th Street  
Edina, MN 55424

Subject: Fiscal Year 2015 – 2017 Joint Cooperation Agreement/Community Development Block Grant (CDBG) Program – *Action Needed*

Dear Mr. Neal:

On April 1, 2014, we sent a letter regarding your participation in the Urban Hennepin County Community Development Block Grant (CDBG) Program (Urban County CDBG Program). Since then, HUD released Notice CPD-13-04 dated April 25, 2014 which requires certain changes to the Joint Cooperation Agreement (JCA) for 2015-2017.

The attached revised 2015-2017 JCA reflects the following changes:

- 1) The addition of language stating that the agreement covers not only the CDBG Entitlement program and the HOME Investment Partnership (HOME), but also the **Emergency Solutions Grants (ESG) Programs**.
- 2) The addition of a provision that a unit of general local government may not sell, trade, or otherwise transfer all or any portion of such funds to another such 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. This new requirement is contained in the FY2014 HUD appropriation bill.
- 3) Clarification of Fair Housing language.

In addition, we are taking this opportunity to move contract term language specific to the CDBG contract year from the JCA Section D to the annual CDBG subrecipient contracts for awards starting in FY 2015.

Finally, Planning and Administrative cost language has been expanded to reflect the County's growing costs associated with compliance and timeliness monitoring and the potential need for

Mr. Neal  
June 4, 2014  
Page 2

future increases (the County has retained 13 percent since 2002; the maximum allowed by HUD is 20 percent) within the term of the JCA.

These changes require a certified City resolution approving the new/amended JCA. Attached is a sample resolution for your use. **Please return three signed copies of page 9 of the 2015-2017 JCA and two certified resolutions by July 18, 2014 to:**

Margo Geffen  
Manager, Housing Development and Finance  
Hennepin County Housing, Community Works and Transit  
701 Fourth Avenue South, Suite 400  
Minneapolis, MN 55415

Copies of these materials, including a red-lined version of the revised 2015-2017 JCA, were also sent to you via email. Please don't hesitate to call me at 612-543-1965 or Abby Shafer at 612-348-2205 with any questions.

Thank you for your patience with respect to the timing of this request.

Sincerely,



Margo Geffen  
Manager, Housing Development and Finance

Enclosures

cc: Joyce Repya  
Abby Shafer, Hennepin County

**JOINT COOPERATION AGREEMENT  
URBAN HENNEPIN COUNTY  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

THIS AGREEMENT made and entered into by and between the COUNTY OF HENNEPIN, State of Minnesota, hereinafter referred to as "COUNTY," A-2400 Government Center, Minneapolis, Minnesota, 55487, and the cities executing this Master Agreement, each hereinafter respectively referred to as "COOPERATING UNIT," said parties to this Agreement each being governmental units of the State of Minnesota, and made pursuant to Minnesota Statutes, Section 471.59.

**WITNESSETH:**

COOPERATING UNIT and COUNTY agree that it is desirable and in the interests of their citizens that COOPERATING UNIT shares its authority to carry out essential community development and housing activities with COUNTY in order to permit COUNTY to secure and administer Community Development Block Grant and HOME Investment Partnership funds as an Urban County within the provisions of the Act as herein defined and, therefore, in consideration of the mutual covenants and promises contained in this Agreement, the parties mutually agree to the following terms and conditions.

COOPERATING UNIT acknowledges that by the execution of this Agreement that it understands that it:

1. May not also apply for grants under the State CDBG Program from appropriations for fiscal years during which it is participating in the Urban County Program; and
2. May not participate in a HOME Consortium except through the Urban County.
3. May not receive a formula allocation under the Emergency Solutions Grants (ESG) Program except through the Urban County.

**I. DEFINITIONS**

The definitions contained in 42 U.S.C. 5302 of the Act and 24 CFR §570.3 of the Regulations are incorporated herein by reference and made a part hereof, and the terms defined in this section have the meanings given them:

- A. "Act" means Title I of the Housing and Community Development Act of 1974, as amended, (42 U.S.C. 5301 et seq.).
- B. "Activity" means a CDBG-funded activity eligible under Title I of the Housing and Community Development Act of 1974, as amended. Example: single family rehab activity.
- C. "Annual Program" means those combined activities submitted by cooperating units to COUNTY for CDBG funding as part of the Consolidated Plan.
- D. "Consolidated Plan" means the document bearing that title or similarly required statements or documents submitted to HUD for authorization to expend the annual grant amount and which is

developed by the COUNTY in conjunction with COOPERATING UNITS as part of the Community Development Block Grant Program.

- E. "Cooperating Unit(s)" means any city or town in Hennepin County that has entered into a cooperation agreement that is identical to this Agreement, as well as Hennepin County, which is a party to each Agreement.
- F. "HUD" means the United States Department of Housing and Urban Development.
- G. "Metropolitan City" means any city located in whole or in part in Hennepin County which is certified by HUD to have a population of 50,000 or more people.
- H. "Program" means the HUD Community Development Block Grant Program as defined under Title I of the Housing and Community Development Act of 1974, as amended.
- I. "Program Income" means gross income received by the recipient or a subrecipient directly generated from the use of CDBG.
- J. "Regulations" means the rules and regulations promulgated pursuant to the Act, including but not limited to 24 CFR Part 570.
- K. "Urban County" means the entitlement jurisdiction within the provisions of the Act and includes the suburban Hennepin County municipalities which are signatories to this Agreement.

## **II. PURPOSE**

The purpose of this Agreement is to authorize COUNTY and COOPERATING UNIT to cooperate to undertake, or assist in undertaking, community renewal and lower income housing assistance activities and authorizes COUNTY to carry out these and other eligible activities for the benefit of eligible recipients who reside within the corporate limits of the COOPERATING UNIT which will be funded from annual Community Development Block Grant, Emergency Solutions Grants (ESG) Programs and HOME appropriations for the Federal Fiscal Years 2015, 2016 and 2017 and from any program income generated from the expenditure of such funds.

## **III. AGREEMENT**

The initial term of this Agreement is for a period commencing on October 1, 2014 and terminating no sooner than the end of the program year covered by the Consolidated Plan for the basic grant amount for the Fiscal Year 2017, as authorized by HUD, and for such additional time as may be required for the expenditure of funds granted to the County for such period. Prior to the end of the initial term and the end of each subsequent qualification period, the COUNTY, as the lead agency of the URBAN HENNEPIN COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, shall provide a written notice to the COOPERATING UNIT of their right not to participate in a subsequent qualification period. The written notice will provide the COOPERATING UNIT a minimum thirty (30) day period to submit a written withdrawal. If the COOPERATING UNIT does not submit to the COUNTY a written withdrawal during the notice period, this Agreement shall be automatically extended for a subsequent three-year qualifying period.

This Agreement must be amended by written agreement of all parties to incorporate any future changes necessary to meet the requirements for cooperation agreements set forth in the Urban County Qualification Notice applicable for the year in which the next qualification of the County is scheduled. Failure by either party to adopt

such an amendment to the Agreement shall automatically terminate the Agreement following the expenditure of all CDBG and HOME funds allocated for use in the COOPERATING UNIT's jurisdiction.

This Agreement shall remain in effect until the CDBG, HOME and ESG funds and program income received (with respect to activities carried out during the three-year qualification period, and any successive qualification periods under agreements that provide for automatic renewals) are expended and the funded activities completed. COUNTY and COOPERATING UNIT cannot terminate or withdraw from this Agreement while it remains in effect.

Notwithstanding any other provision of this Agreement, this Agreement may be terminated at the end of the program period during which HUD withdraws its designation of the COUNTY as an Urban County under the Act.

This Agreement shall be executed by the appropriate officers of COOPERATING UNIT and COUNTY pursuant to authority granted them by their respective governing bodies, and a copy of the authorizing resolution and executed Agreement shall be filed promptly by the COOPERATING UNIT in the Hennepin County Department of Housing, Community Works and Transit so that the Agreement can be submitted to HUD by July 25, 2014.

COOPERATING UNIT and COUNTY shall take all actions necessary to assure compliance with the urban county's certifications required by Section 104(b) of the 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, and affirmatively furthering fair housing. COOPERATING UNIT and COUNTY shall also take all actions necessary to assure compliance with Section 109 of Title I of the Housing and Community Development Act of 1974 (which incorporates Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975), and other applicable laws.

#### **IV. ACTIVITIES**

COOPERATING UNIT agrees that awarded grant funds will be used to undertake and carry out, within the terms of this Agreement, certain activities eligible for funding under the Act. The COUNTY agrees and will assist COOPERATING UNIT in the undertaking of such essential activities by providing the services specified in this Agreement. The parties mutually agree to comply with all applicable requirements of the Act and the Regulations and other relevant Federal and/or Minnesota statutes or regulations in the use of basic grant amounts. Nothing in this Article shall be construed to lessen or abrogate the COUNTY's responsibility to assume all obligations of an applicant under the Act, including the development of the Consolidated Plan, pursuant to 24 CFR Part 91.

COOPERATING UNIT further specifically agrees as follows:

- A. COOPERATING UNIT will, in accord with a COUNTY-established schedule, prepare and provide to the COUNTY, in a prescribed form, requests for the use of Community Development Block Grant Funds consistent with this Agreement, program regulations and the Urban Hennepin County Consolidated Plan.
- B. COOPERATING UNIT acknowledges that, pursuant to 24 CFR §570.501 (b), it is subject to the same requirements applicable to subrecipients, including the requirement for a written Subrecipient Agreement set forth in 24 CFR §570.503. The Subrecipient Agreement will cover the implementation requirements for each activity funded pursuant to this Agreement and shall be duly executed with and in a form prescribed by the COUNTY.
- C. COOPERATING UNIT acknowledges that it is subject to the same subrecipient requirements stated in paragraph B above in instances where an agency other than itself is undertaking an activity pursuant to

this Agreement on behalf of COOPERATING UNIT. In such instances, a written Third Party Agreement shall be duly executed between the agency and COOPERATING UNIT in a form prescribed by COUNTY.

- D. COOPERATING UNITS shall expend all funds annually allocated to activities pursuant to the Subrecipient Agreement.
1. All funds not expended pursuant to the terms of the Subrecipient Agreement will be relinquished to the COUNTY and will be transferred to a separate account for reallocation on a competitive request for proposal basis at the discretion of the COUNTY where total of such funds is \$100,000 or greater. Amounts less than \$100,000 shall be allocated by COUNTY to other existing activities consistent with timeliness requirements and Consolidated Plan goals.
- E. COUNTY and COOPERATING UNITS shall expend all program income pursuant to this Agreement as provided below:
1. Program income from housing rehabilitation activities administered by the COUNTY will be incorporated into a pool at the discretion of the COUNTY. The pool will be administered by COUNTY and will be used for housing rehabilitation projects located throughout the entire Urban County. When possible, COUNTY will give priority to funding housing rehabilitation projects within the COOPERATING UNIT where the program income was generated. Funds expended in this manner would be secured by a Repayment Agreement/Mortgage running in favor of the COUNTY. Program income generated by certain COOPERATING UNITS that administer their own housing rehabilitation activities may be retained by the COOPERATING UNIT at its discretion; however, such COOPERATING UNITS will be bound by the conditions of D.2., above. Only COOPERATING UNITS that were administering their own activities pursuant to the Joint Cooperation Agreement pertaining to the HUD fiscal years 2012-2014 will be eligible to retain their program income.
  2. COUNTY reserves the option to recapture program income generated by non-housing rehabilitation activities if said funds have not been expended within twelve (12) months of being generated. These funds shall be transferred to a separate account for reallocation on a competitive request for proposal basis administered by COUNTY or, where the total of such funds does not exceed \$100,000, shall be reallocated by COUNTY to other existing activities consistent with timeliness requirements and Consolidated Plan goals.
- F. COOPERATING UNITS are encouraged to undertake joint activities involving the sharing of funding when such action furthers the goals of the Consolidated Plan and meets the expenditure goals.
- G. If COUNTY is notified by HUD that it has not met the performance standard for the timely expenditure of funds at 24 CFR 570.902(a) and the COUNTY entitlement grant is reduced by HUD according to its policy on corrective actions, then the basic grant amount to any COOPERATING UNIT that has not met its expenditure goal shall be reduced accordingly.
- H. COOPERATING UNIT will take actions necessary to assist in accomplishing the community development program and housing goals, as contained in the Urban Hennepin County Consolidated Plan.
- I. COOPERATING UNIT shall ensure that all activities funded, in part or in full by grant funds received pursuant to this Agreement, shall be undertaken affirmatively with regard to fair housing, employment and business opportunities for minorities and women. It shall, in implementing all programs and/or

activities funded by the basic grant amount, comply with all applicable Federal and Minnesota Laws, statutes, rules and regulations with regard to civil rights, affirmative action and equal employment opportunities and Administrative Rule issued by the COUNTY.

- J. COOPERATING UNIT that does not affirmatively further fair housing within its own jurisdiction or that impedes action by COUNTY to comply with its fair housing certification shall be prohibited from receiving CDBG funding for any activities.
- K. COOPERATING UNIT shall participate in the citizen participation process, as established by COUNTY, in compliance with the requirements of the Housing and Community Development Act of 1974, as amended.
- L. COOPERATING UNIT shall reimburse COUNTY for any expenditure determined by HUD or COUNTY to be ineligible.
- M. COOPERATING UNIT shall prepare, execute, and cause to be filed all documents protecting the interests of the parties hereto or any other party of interest as may be designated by the COUNTY.
- N. COOPERATING UNIT has adopted and is enforcing:
  - 1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent 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 nonviolent civil rights demonstrations within its jurisdiction.
- O. COOPERATING UNIT shall not sell, trade, or otherwise transfer all or any portion of grant 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.

COUNTY further specifically agrees as follows:

- A. COUNTY shall prepare and submit to HUD and appropriate reviewing agencies, on an annual basis, all plans, statements and program documents necessary for receipt of a basic grant amount under the Act.
- B. COUNTY shall provide, to the maximum extent feasible, technical assistance and coordinating services to COOPERATING UNIT in the preparation and submission of a request for funding.
- C. COUNTY shall provide ongoing technical assistance to COOPERATING UNIT to aid COUNTY in fulfilling its responsibility to HUD for accomplishment of the community development program and housing goals.
- D. COUNTY shall, upon official request by COOPERATING UNIT, agree to administer local housing rehabilitation activities funded pursuant to the Agreement, provided that COUNTY shall receive Twelve percent (12%) of the allocation by COOPERATING UNIT to the activity as reimbursement for costs associated with the administration of COOPERATING UNIT activity.

- E. COUNTY may, at its discretion and upon official request by COOPERATING UNIT, agree to administer, for a possible fee, other activities funded pursuant to this Agreement on behalf of COOPERATING UNIT.
- F. COUNTY may, as necessary for clarification and coordination of program administration, develop and implement Administrative Rules consistent with the Act, Regulations, HUD administrative directives, and administrative requirements of COUNTY.

#### **V. ALLOCATION OF BASIC GRANT AMOUNTS**

Basic grant amounts received by the COUNTY under Section 106 of the Act shall be allocated as follows:

- A. Planning and administration costs are capped to 20 percent of the sum of grant plus program income that is received during the program year. During the term of this Agreement the COUNTY anticipates planning and administrative retainage of thirteen to fifteen percent (13-15%); included in this administrative amount is funding for annual county-wide Fair Housing activities.
- B. The balance of the basic grant amount shall be made available by COUNTY to COOPERATING UNITS in accordance with the formula stated in part C and the procedure stated in part D of this section utilizing U.S. Census Bureau data. The allocation is for planning purposes only and is not a guarantee of funding.
- C. Allocation of funding will be based upon a formula using U.S. Census Bureau data that bears the same ratio to the balance of the basic grant amount as the average of the ratios between:
  - 1. The population of COOPERATING UNIT and the population of all COOPERATING UNITS.
  - 2. The extent of poverty in COOPERATING UNIT and the extent of poverty in all COOPERATING UNITS.
  - 3. The extent of overcrowded housing by units in COOPERATING UNIT and the extent of overcrowded housing by units in all COOPERATING UNITS.
  - 4. In determining the average of the above ratios, the ratio involving the extent of poverty shall be counted twice.
- D. Funds will be made available to communities utilizing the formula specified in C of this Section in the following manner:
  - 1. All COOPERATING UNITS with aggregate formula percentages of greater than three and one half percent (3.5%) of the total using the procedure in part C. of this section will receive funding allocations in accordance with the COUNTY formula allocations.
  - 2. COOPERATING UNITS with aggregate formula percentages of three and one half percent (3.5%) or less of the total using the procedure in part C. of this section will have their funds consolidated into a pool for award in a manner determined by COUNTY on a competitive request for proposal basis. Only the COUNTY and COOPERATING UNITS whose funding has been pooled will be eligible to compete for these funds.

- E. The COUNTY shall develop these ratios based upon data to be furnished by HUD. The COUNTY assumes no duty to gather such data independently and assumes no liability for any errors in the data furnished by HUD.
- F. In the event COOPERATING UNIT does not request a funding allocation, or a portion thereof, the amount not requested shall be made available to other participating communities, in a manner determined by COUNTY.

#### **VI. METROPOLITAN CITIES**

Any metropolitan city executing this Agreement shall defer their entitlement status and become part of Urban Hennepin County.

This agreement can be voided if the COOPERATING UNIT is advised by HUD, prior to the completion of the re-qualification process for fiscal years 2015-2017, that it is eligible to become a metropolitan city and the COOPERATING UNIT elects to take its entitlement status. If the agreement is not voided on the basis of the COOPERATING UNIT's eligibility as a metropolitan city prior to June 20, 2014, the COOPERATING UNIT must remain a part of the COUNTY program for the entire three-year period of the COUNTY qualification.

#### **VII. OPINION OF COUNSEL**

The undersigned, on behalf of the Hennepin County Attorney, having reviewed this Agreement, hereby opines that the terms and provisions of the Agreement are fully authorized under State and local law and that the COOPERATING UNIT has full legal authority to undertake or assist in undertaking essential community development and housing assistance activities, specifically urban renewal and publicly-assisted housing.

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Assistant County Attorney

**VIII. HENNEPIN COUNTY EXECUTION**

The Hennepin County Board of Commissioners having duly approved this Agreement on \_\_\_\_\_, 2014, and pursuant to such approval and the proper County official having signed this Agreement, the COUNTY agrees to be bound by the provisions herein set forth.

APPROVED AS TO FORM:

\_\_\_\_\_  
Assistant County Attorney

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

COUNTY OF HENNEPIN, STATE OF MINNESOTA

By: \_\_\_\_\_  
Chair of its County Board

And: \_\_\_\_\_  
Assistant/Deputy/County Administrator

Attest: \_\_\_\_\_  
Deputy/Clerk of the County Board

RECOMMENDED FOR APPROVAL

\_\_\_\_\_  
Assistant County Administrator - Public Works

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

\_\_\_\_\_  
Department, Housing, Community Works and Transit

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

**IX. COOPERATING UNIT EXECUTION**

COOPERATING UNIT, having signed this Agreement, and the COOPERATING UNIT'S governing body having duly approved this Agreement on \_\_\_\_\_, 2014, and pursuant to such approval and the proper city official having signed this Agreement, COOPERATING UNIT agrees to be bound by the provisions of this Joint Cooperation Agreement.

CITY OF

By: \_\_\_\_\_  
Its Mayor

And: \_\_\_\_\_  
Its City Manager

ATTEST: \_\_\_\_\_

CITY MUST CHECK ONE:

The City is organized pursuant to:

\_\_\_ Plan A    \_\_\_ Plan B    \_\_\_ Charter

**JOINT COOPERATION AGREEMENT  
URBAN HENNEPIN COUNTY  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

THIS AGREEMENT made and entered into by and between the COUNTY OF HENNEPIN, State of Minnesota, hereinafter referred to as "COUNTY," A-2400 Government Center, Minneapolis, Minnesota, 55487, and the cities executing this Master Agreement, each hereinafter respectively referred to as "COOPERATING UNIT," said parties to this Agreement each being governmental units of the State of Minnesota, and made pursuant to Minnesota Statutes, Section 471.59<sup>2</sup>.

**WITNESSETH:**

COOPERATING UNIT and COUNTY agree that it is desirable and in the interests of their citizens that COOPERATING UNIT shares its authority to carry out essential community development and housing activities with COUNTY in order to permit COUNTY to secure and administer Community Development Block Grant and HOME Investment Partnership funds as an Urban County within the provisions of the Act as herein defined and, therefore, in consideration of the mutual covenants and promises contained in this Agreement, the parties mutually agree to the following terms and conditions.

COOPERATING UNIT acknowledges that by the execution of this Agreement that it understands that it:

1. May not also apply for grants under the State CDBG Program from appropriations for fiscal years during which it is participating in the Urban County Program; and
2. May not participate in a HOME Consortium except through the Urban County.
3. May not receive a formula allocation under the Emergency Solutions Grants (ESG) Program except through the Urban County.

**I. DEFINITIONS**

The definitions contained in 42 ~~USCU~~U.S.C. 5302 of the Act and 24 CFR §570.3 of the Regulations are incorporated herein by reference and made a part hereof, and the terms defined in this section have the meanings given them:

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- B. "Activity" means a CDBG-funded activity eligible under Title I of the Housing and Community Development Act of 1974, as amended. Example: single family rehab activity.
- C. "Annual Program" means those combined activities submitted by cooperating units to COUNTY for CDBG funding as part of the Consolidated Plan.
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developed by the COUNTY in conjunction with COOPERATING UNITS as part of the Community Development Block Grant Program.

- E. "Cooperating Unit(s)" means any city or town in Hennepin County that has entered into a cooperation agreement that is identical to this Agreement, as well as Hennepin County, which is a party to each Agreement.
- F. "HUD" means the United States Department of Housing and Urban Development.
- G. "Metropolitan City" means any city located in whole or in part in Hennepin County which is certified by HUD to have a population of 50,000 or more people.
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- J. "Regulations" means the rules and regulations promulgated pursuant to the Act, including but not limited to 24 CFR Part 570.
- K. "Urban County" means the entitlement jurisdiction within the provisions of the Act and includes the suburban Hennepin County municipalities which are signatories to this Agreement.

## II. PURPOSE

The purpose of this Agreement is to authorize COUNTY and COOPERATING UNIT to cooperate to undertake, or assist in undertaking, community renewal and lower income housing assistance activities and authorizes COUNTY to carry out these and other eligible activities for the benefit of eligible recipients who reside within the corporate limits of the COOPERATING UNIT which will be funded from annual Community Development Block Grant, Emergency Solutions Grants (ESG) Programs and HOME appropriations for the Federal Fiscal Years ~~2009, 2010~~2015, 2016 and ~~2014~~2017 and from any program income generated from the expenditure of such funds.

## III. AGREEMENT

The initial term of this Agreement is for a period commencing on October 1, ~~2008~~2014 and terminating no sooner than the end of the program year covered by the Consolidated Plan for the basic grant amount for the Fiscal Year ~~2014~~2017, as authorized by HUD, and for such additional time as may be required for the expenditure of funds granted to the County for such period. Prior to the end of the initial term and the end of each subsequent qualification period, the COUNTY, as the lead agency of the URBAN HENNEPIN COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, shall provide a written notice to the COOPERATING UNIT of their right not to participate in a subsequent qualification period. The written notice will provide the COOPERATING UNIT a minimum thirty (30) day period to submit a written withdrawal. If the COOPERATING UNIT does not submit to the COUNTY a written withdrawal during the notice period, this Agreement shall be automatically extended for a subsequent three-year qualifying period.

This Agreement must be amended by written agreement of all parties to incorporate any future changes necessary to meet the requirements for cooperation agreements set forth in the Urban County Qualification Notice applicable for the year in which the next qualification of the County is scheduled. Failure by either party to adopt

such an amendment to the Agreement shall automatically terminate the Agreement following the expenditure of all CDBG and HOME funds allocated for use in the COOPERATING UNIT's jurisdiction.

This Agreement shall remain in effect until the CDBG, HOME and ESG funds and program income received (with respect to activities carried out during the three-year qualification period, and any successive qualification periods under agreements that provide for automatic renewals) are expended and the funded activities completed. COUNTY and COOPERATING UNIT cannot terminate or withdraw from this Agreement while it remains in effect.

Notwithstanding any other provision of this Agreement, this Agreement may be terminated at the end of the program period during which HUD withdraws its designation of the COUNTY as an Urban County under the Act.

This Agreement shall be executed by the appropriate officers of COOPERATING UNIT and COUNTY pursuant to authority granted them by their respective governing bodies, and a copy of the authorizing resolution and executed Agreement shall be filed promptly by the COOPERATING UNIT in the Hennepin County Department of Housing, Community Works and Transit, ~~and in no event shall so that the Agreement can be filed later than June 30, 2008~~ submitted to HUD by July 25, 2014.

COOPERATING UNIT and COUNTY shall take all actions necessary to assure compliance with the ~~applicant's~~ applicant's urban county's certifications required by Section 104(b) of the 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, and affirmatively furthering fair housing. COOPERATING UNIT and COUNTY shall also take all actions necessary to assure compliance with Section 109 of Title I of the Housing and Community Development Act of 1974; ~~(which incorporates Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975),~~ and other applicable laws.

#### IV. ACTIVITIES

COOPERATING UNIT agrees that awarded grant funds will be used to undertake and carry out, within the terms of this Agreement, certain activities eligible for funding under the Act. The COUNTY agrees and will assist COOPERATING UNIT in the undertaking of such essential activities by providing the services specified in this Agreement. The parties mutually agree to comply with all applicable requirements of the Act and the Regulations and other relevant Federal and/or Minnesota statutes or regulations in the use of basic grant amounts. Nothing in this Article shall be construed to lessen or abrogate the COUNTY's responsibility to assume all obligations of an applicant under the Act, including the development of the Consolidated Plan, pursuant to 24 CFR Part 91.

COOPERATING UNIT further specifically agrees as follows:

- A. COOPERATING UNIT will, in accord with a COUNTY-established schedule, prepare and provide to the COUNTY, in a prescribed form, requests for the use of Community Development Block Grant Funds consistent with this Agreement, program regulations and the Urban Hennepin County Consolidated Plan.
- B. COOPERATING UNIT acknowledges that, pursuant to 24 CFR §570.501 (b), it is subject to the same requirements applicable to subrecipients, including the requirement for a written Subrecipient Agreement set forth in 24 CFR §570.503. The Subrecipient Agreement will cover the implementation requirements for each activity funded pursuant to this Agreement and shall be duly executed with and in a form prescribed by the COUNTY.
- C. COOPERATING UNIT acknowledges that it is subject to the same subrecipient requirements stated in paragraph B above in instances where an agency other than itself is undertaking an activity pursuant to

this Agreement on behalf of COOPERATING UNIT. In such instances, a written Third Party Agreement shall be duly executed between the agency and COOPERATING UNIT in a form prescribed by COUNTY.

D. COOPERATING UNITS shall expend all funds annually allocated to activities pursuant to ~~this Agreement within eighteen (18) months of the authorization by HUD to expend the basic grant amount.~~ the Subrecipient Agreement.

- ~~1. With each annual program COOPERATING UNITS shall submit to the COUNTY activity schedules for the completion and expenditure of funds within eighteen (18) months. COUNTY will institute monitoring measures and provide technical or other assistance to insure activities are proceeding on schedule.~~
- ~~2. Funds for activities not expended within eighteen (18) months may be recaptured at the discretion of the COUNTY and distributed by COUNTY as provided for in D. 4. Limited extensions to the expenditure deadlines in this section may be granted by COUNTY upon written request only where the authorized activity has been initiated and/or is subject to a binding contract which provides for the expenditure to be completed within a time period acceptable to COUNTY.~~
- ~~3. Amendments to an annual program by COOPERATING UNITS may be approved by COUNTY up to fifteen (15) months after initial funding has been approved only when the new activity can be completed and funding expended within six (6) months of the amendment approval. Funds not expended within the six (6) month extension period may be recaptured and distributed by COUNTY as provided for in D.4.~~
- ~~4.1. All funds recaptured by COUNTY~~All funds not expended pursuant to the terms of the Subrecipient Agreement will be relinquished to the COUNTY and will be transferred to a separate account for reallocation on a competitive request for proposal basis at the discretion of the COUNTY where total of such funds is \$100,000 or greater. Amounts less than \$100,000 shall be allocated by COUNTY to other existing activities consistent with timeliness requirements and Consolidated Plan goals.

E. COUNTY and COOPERATING UNITS shall expend all program income pursuant to this Agreement as provided below:

1. Program income from housing rehabilitation activities administered by the COUNTY will be incorporated into a pool at the discretion of the COUNTY. The pool will be administered by COUNTY and will be used for housing rehabilitation projects located throughout the entire Urban County. When possible, COUNTY will give priority to funding housing rehabilitation projects within the COOPERATING UNIT where the program income was generated. Funds expended in this manner would be secured by a Repayment Agreement/Mortgage running in favor of the COUNTY. Program income generated by certain COOPERATING UNITS that administer their own housing rehabilitation activities may be retained by the COOPERATING UNIT at its discretion; however, such COOPERATING UNITS will be bound by the conditions of D.2., above. Only COOPERATING UNITS that were administering their own activities pursuant to the Joint Cooperation Agreement pertaining to the HUD fiscal years ~~2006-2008~~2012-2014 will be eligible to retain their program income.
2. COUNTY reserves the option to recapture program income generated by non-housing rehabilitation activities if said funds have not been expended within twelve (12) months of

being generated. These funds shall be transferred to a separate account for reallocation on a competitive request for proposal basis administered by COUNTY or, where the total of such funds does not exceed \$100,000, shall be reallocated by COUNTY to other existing activities consistent with timeliness requirements and Consolidated Plan goals.

- F. COOPERATING UNITS are encouraged to undertake joint activities involving the sharing of funding when such action furthers the goals of the Consolidated Plan and meets the expenditure goals.
- G. If COUNTY is notified by HUD that it has not met the performance standard for the timely expenditure of funds at 24 CFR 570.902(a) and the COUNTY entitlement grant is reduced by HUD according to its policy on corrective actions, then the basic grant amount to any COOPERATING UNIT that has not met its expenditure goal shall be reduced accordingly.
- H. COOPERATING UNIT will take actions necessary to assist in accomplishing the community development program and housing goals, as contained in the Urban Hennepin County Consolidated Plan.
- I. COOPERATING UNIT shall ensure that all activities funded, in part or in full by grant funds received pursuant to this Agreement, shall be undertaken affirmatively with regard to fair housing, employment and business opportunities for minorities and women. It shall, in implementing all programs and/or activities funded by the basic grant amount, comply with all applicable Federal and Minnesota Laws, statutes, rules and regulations with regard to civil rights, affirmative action and equal employment opportunities and Administrative Rule issued by the COUNTY.
- J. COOPERATING UNIT that does not affirmatively further fair housing within its own jurisdiction or that impedes action by COUNTY to comply with its fair housing certification shall be prohibited from receiving CDBG funding for any activities.
- K. COOPERATING UNIT shall participate in the citizen participation process, as established by COUNTY, in compliance with the requirements of the Housing and Community Development Act of 1974, as amended.
- L. COOPERATING UNIT shall reimburse COUNTY for any expenditure determined by HUD or COUNTY to be ineligible.
- M. COOPERATING UNIT shall prepare, execute, and cause to be filed all documents protecting the interests of the parties hereto or any other party of interest as may be designated by the COUNTY.
- N. COOPERATING UNIT has adopted and is enforcing:
  - 1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent 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 nonviolent civil rights demonstrations within its jurisdiction.
- O. COOPERATING UNIT shall not sell, trade, or otherwise transfer all or any portion of grant 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.

COUNTY further specifically agrees as follows:

- A. COUNTY shall prepare and submit to HUD and appropriate reviewing agencies, on an annual basis, all plans, statements and program documents necessary for receipt of a basic grant amount under the Act.
- B. COUNTY shall provide, to the maximum extent feasible, technical assistance and coordinating services to COOPERATING UNIT in the preparation and submission of a request for funding.
- C. COUNTY shall provide ongoing technical assistance to COOPERATING UNIT to aid COUNTY in fulfilling its responsibility to HUD for accomplishment of the community development program and housing goals.
- D. COUNTY shall, upon official request by COOPERATING UNIT, agree to administer local housing rehabilitation activities funded pursuant to the Agreement, provided that COUNTY shall receive Twelve percent (12%) of the allocation by COOPERATING UNIT to the activity as reimbursement for costs associated with the administration of COOPERATING UNIT activity.
- E. COUNTY may, at its discretion and upon official request by COOPERATING UNIT, agree to administer, for a possible fee, other activities funded pursuant to this Agreement on behalf of COOPERATING UNIT.
- F. COUNTY may, as necessary for clarification and coordination of program administration, develop and implement Administrative Rules consistent with the Act, Regulations, HUD administrative directives, and administrative requirements of COUNTY.

#### V. ALLOCATION OF BASIC GRANT AMOUNTS

Basic grant amounts received by the COUNTY under Section 106 of the Act shall be allocated as follows:

- A. ~~COUNTY shall retain Thirteen percent (13%) of the annual basic grant amount for the administration of the program. Included~~ Planning and administration costs are capped to 20 percent of the sum of grant plus program income that is received during the program year. During the term of this Agreement the COUNTY anticipates planning and administrative retainage of thirteen to fifteen percent (13-15%);included in this administrative amount is funding for annual county-wide Fair Housing activities.
- B. The balance of the basic grant amount shall be made available by COUNTY to COOPERATING UNITS in accordance with the formula stated in part C and the procedure stated in part D of this section utilizing U.S. Census Bureau data ~~provided by HUD~~. The allocation is for planning purposes only and is not a guarantee of funding.
- C. Allocation of funding will be based upon a formula using U.S. Census Bureau data ~~supplied by HUD~~ that bears the same ratio to the balance of the basic grant amount as the average of the ratios between:
  - 1. The population of COOPERATING UNIT and the population of all COOPERATING UNITS.
  - 2. The extent of poverty in COOPERATING UNIT and the extent of poverty in all COOPERATING UNITS.

3. The extent of overcrowded housing by units in COOPERATING UNIT and the extent of overcrowded housing by units in all COOPERATING UNITS.
  4. In determining the average of the above ratios, the ratio involving the extent of poverty shall be counted twice.
- D. Funds will be made available to communities utilizing the formula specified in C of this Section in the following manner:
1. All COOPERATING UNITS with aggregate formula percentages of greater than three and one half percent (3.5%) of the total using the procedure in part C. of this section will receive funding allocations in accordance with the COUNTY formula allocations.
  2. COOPERATING UNITS with aggregate formula percentages of three and one half percent (3.5%) or less of the total using the procedure in part C. of this section will have their funds consolidated into a pool for award in a manner determined by COUNTY on a competitive request for proposal basis. Only the COUNTY and COOPERATING UNITS whose funding has been pooled will be eligible to compete for these funds.
- E. The COUNTY shall develop these ratios based upon data to be furnished by HUD. The COUNTY assumes no duty to gather such data independently and assumes no liability for any errors in the data furnished by HUD.
- F. In the event COOPERATING UNIT does not request a funding allocation, or a portion thereof, the amount not requested shall be made available to other participating communities, in a manner determined by COUNTY.

## **VI. METROPOLITAN CITIES**

Any metropolitan city executing this Agreement shall defer their entitlement status and become part of Urban Hennepin County.

This agreement can be voided if the COOPERATING UNIT is advised by HUD, prior to the completion of the re-qualification process for fiscal years ~~2009-2011~~2015-2017, that it is eligible to become a metropolitan city and the COOPERATING UNIT elects to take its entitlement status. If the agreement is not voided on the basis of the COOPERATING UNIT's eligibility as a metropolitan city prior to ~~July 8, 2008~~June 20, 2014, the COOPERATING UNIT must remain a part of the COUNTY program for the entire three-year period of the COUNTY qualification.

## **VII. OPINION OF COUNSEL**

The undersigned, on behalf of the Hennepin County Attorney, having reviewed this Agreement, hereby opines that the terms and provisions of the Agreement are fully authorized under State and local law and that the COOPERATING UNIT has full legal authority to undertake or assist in undertaking essential community development and housing assistance activities, specifically urban renewal and publicly-assisted housing.

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Assistant County Attorney

VIII. HENNEPIN COUNTY EXECUTION

The Hennepin County Board of Commissioners having duly approved this Agreement on ~~May 6, 2008~~ \_\_\_\_\_, 2014, and pursuant to such approval and the proper County official having signed this Agreement, the COUNTY agrees to be bound by the provisions herein set forth.

COUNTY OF HENNEPIN, STATE OF MINNESOTA

By: \_\_\_\_\_  
\_\_\_\_\_ Chair of its County Board

~~APPROVED AS TO FORM:~~

And: \_\_\_\_\_  
\_\_\_\_\_ Assistant/Deputy/County Administrator

~~Assistant County Attorney~~

Attest: \_\_\_\_\_  
\_\_\_\_\_ Deputy/Clerk of the  
County Board

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

RECOMMENDED FOR APPROVAL

\_\_\_\_\_  
Assistant County Administrator - Public Works

~~APPROVED AS TO FORM:~~

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

~~Assistant County Attorney~~

\_\_\_\_\_  
Department, Housing, Community Works and Transit

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

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

~~APPROVED AS TO EXECUTION:~~ \_\_\_\_\_

~~Assistant County Attorney~~ \_\_\_\_\_

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

**IX. COOPERATING UNIT EXECUTION**

COOPERATING UNIT, having signed this Agreement, and the COOPERATING UNIT'S governing body having duly approved this Agreement on \_\_\_\_\_, ~~2008~~2014, and pursuant to such approval and the proper city official having signed this Agreement, COOPERATING UNIT agrees to be bound by the provisions of this Joint Cooperation Agreement, ~~contract A080541~~.

CITY OF

By: \_\_\_\_\_  
Its Mayor

And: \_\_\_\_\_  
Its City Manager

ATTEST: \_\_\_\_\_

CITY MUST CHECK ONE:

The City is organized pursuant to:

\_\_\_ Plan A    \_\_\_ Plan B    \_\_\_ Charter

