

Memo

To: Honorable Mayor and City Council
From: Joe Kohlmann, City Administrator
Date: July 8, 2014
Re: Hennepin County Joint Cooperative Agreement – CDBG Program
– 2015-2017

The City of Tonka Bay has participated for many years in the Urban Hennepin Joint Cooperation Program (also referred to as the Consolidated Pool) for the federal Community Development Block Grant (CDBG) program administered by the U.S. Department of Housing and Urban Development (HUD). Nearly all communities in Hennepin County cities, except for the largest ones, participate in the Urban Hennepin County program. Participation with Hennepin County provides for a more efficient use of funds, rather than having small sums accumulate in accounts for individual cities. Urban Hennepin County communities may compete within the Consolidated Pool for larger grant amounts.

The focus of the CDBG program has changed over the years, with more attention being paid to housing. The program remains focused on serving persons with low and moderate incomes.

For the City to continue its participation in this program, it will need to enter into a new agreement. The existing agreement expires September 30, 2014. Hennepin County is requiring that approved and executed agreements be received by July 18.

Council Action Requested:

Motion to approve the attached resolution authorizing the execution of the joint cooperation agreement between the City of Tonka Bay and Hennepin County for participation in the Urban Hennepin County CDBG Program in Fiscal Years 2015-2017.

The most commonly asked questions.

What is a Joint Cooperation Agreement? The JCA is a contract between Hennepin County and each city participating in a HUD defined Urban County Community Development Block Grant (CDBG) entitlement program. This urban county status allows access to annual CDBG allocations, currently \$2.4 million. Not signing a JCA means your city is not eligible for any CDBG funding for the agreement period, e.g., 2009-2011. We have been informed by HUD staff that any city that can participate in an urban county program but decides not to cannot apply for HUD funds through the State CDBG program. The State has their own CDBG allocation which is reserved for cities and counties outside the metropolitan area.

Are we currently operating under a JCA? Yes. There is an agreement in place for the period 2012-2014.

How long have we had these? This has been a HUD requirement since the beginning of the CDBG program back in the mid-1970s.

What is the Consolidated Pool? HUD allocates CDBG funding to states, cities and urban counties based upon a formula which considers an applicants' population, poverty and overcrowded housing, with poverty being double weighted. At HUD's "urging", Hennepin County formed a Consolidated Pool (ConPool) for cities which received aggregate formula percentages of three and one half percent (3.5%) or less of the urban county total. These funds are allocated on a competitive request for proposal basis. The amount of CDBG funding available to ConPool cities was \$495,509 in program year 2008.

What does this do for the City and/or its residents? Cities in the ConPool have access to 85% of the funding total (approximately \$420,000 in 2008) for "brick and mortar" projects consistent with the CDBG eligibility requirements. Given the competitive nature of the application process, successful applicants are generally proposing housing projects that serve low-income households. Among these are residential rehabilitation through the County operated Rehabilitation of Private Property program. In 2008, \$200,000 was allocated to this program. Any resident of the ConPool area can apply directly to this office for rehab assistance through this program. (Contact Jim Graham: 612-348-2235) The county is also operating a rental rehab program. This is currently a pilot program only, but recent success suggests it may be continued. ConPool cities are the only organizations that can apply for these funds, although cities frequently work in cooperation with a nonprofit developer, e.g., Habitat for Humanity, West Hennepin Affordable Housing Land Trust, etc.

The remaining 15% of the funds can be used to fund public service programs. Public service providers apply directly for funding of senior programs, emergency services (ICA, IOCP, WeCAN), housing counselling programs, domestic abuse services and youth programs, etc. Residents can access these services regardless of where they live, but the cities' participation in the urban county program provides more funding to

the ConPool and more funding for these services.

FYI, public service providers have consistently been telling me that the demand for emergency services have been increasing drastically over the last few months because of layoffs, foreclosures, rising food and fuel prices, etc. These clients are area residents that have never applied for assistance in the past and are very reluctant to do so.

How are ConPool funds allocated? The ConPool funds are allocated through a multi-step process. A Consolidated Pool Advisory Committee reviews the applications and makes funding recommendations to the County Boards of Commissioners, the official applicant for the urban county funds. The Board then approves the annual application, including the allocation recommendations of the committee. To date the Board has always approved the committees' recommendations. HUD staff then review all projects for eligibility and approves funding sometime in July or August.

The Consolidated Pool Advisory Committee is made up of city administrators, city clerks or planning staff from participating ConPool cities. The committee could use additional members for the 2009 application process, so if you might be interested please contact me.

Is there any cost to the City? No. The only "cost" results from not participating--not signing the agreement. Should a city not sign the agreement, your residents would no longer be eligible for the rehabilitation program and the total CDBG funds available for public services would be smaller. Even if you do not anticipate any housing projects in the near future, signing the agreement costs nothing, but provides more funding for these other programs/services.

Please also note that if the JCA is not signed, your city cannot rejoin the ConPool until the next JCA period; 2018-2020.

Jim Ford
Hennepin County Housing, Community Works and Transit
417 North Fifth Street, Suite 320
Minneapolis, Minnesota 55401-1362
Telephone: 612/348-6013
Fax: 612/348-2920

RESOLUTION NO. 14-

A RESOLUTION AUTHORIZING THE EXECUTION OF A JOINT COOPERATION AGREEMENT BETWEEN THE CITY OF TONKA BAY AND HENNEPIN COUNTY FOR PARTICIPATION IN THE URBAN HENNEPIN COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM IN FY 2015 – 2017

WHEREAS, the City of Tonka Bay, 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) 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 and HOME Programs.

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

PASSED at a regular meeting of the Tonka Bay City Council this 8th day of July, 2014.

Motion introduced by _____ and seconded by _____.

Roll Call Vote: Ayes –
Nays –
Absent –

Gerry De La Vega, Mayor

ATTEST:

Joseph Kohlmann, Clerk/Administrator



June 4, 2014

RECEIVED

JUN 5 2014

CITY OF TONKA BAY

Mr. Joe Kohlmann
City Administrator
City of Tonka Bay
4901 Manitou Road
Tonka Bay, MN 55331

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

Dear Mr. Kohlmann:

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. Kohlmann
June 4, 2014
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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: Abby Shafer, Hennepin County



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

April 18, 2014

RECEIVED

APR 21 2014

CITY OF TONKA BAY

Mr. Joe Kohlmann
City Administrator
City of Tonka Bay
4901 Manitou Road
Tonka Bay, MN 55331

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

Dear Mr. Kohlmann:

Thank you for your City's participation in the Urban Hennepin County Community Development Block Grant (CDBG) Program (Urban County CDBG Program). As you know, Hennepin County is the lead agency for the Urban County CDBG Program, which consists of Hennepin County (County) and 39 suburban communities. The U.S. Department of Housing and Urban Development (HUD) requires a Joint Cooperation Agreement (Agreement), which is renewed every three years, in order for the County to qualify as an urban county and receive CDBG entitlement funds on behalf of participating cities.

The existing Joint Cooperation Agreement (FY 2012 – 2014) between the County and your City is due to expire September 30, 2014. It contains an automatic renewal clause in Section III that reads: "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 written notice to the COOPERATING UNIT of their right not to participate in a subsequent qualification period."

This letter serves as notification that the current Agreement will automatically renew for another three-year period unless the City notifies both HUD and the County in writing by **June 1, 2014** of its intent to terminate the Agreement as of the end of the current qualification period. ***Under the terms of the Agreement, to remain a participating City in the Urban County CDBG Program, there is nothing more you need to do.***

By continuing to participate in the Urban County CDBG Program, your City is eligible to receive CDBG funds under the terms of the agreement and will automatically be included in the HOME Investment Partnership (HOME) and Emergency Solutions Grant (ESG) programs administered by the County. The City will not be eligible to apply for grants under the State CDBG Program.

Mr. Kohlmann
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The Urban County CDBG Program has a long history of success as a direct result of our strong partnership. Your participation in this program has helped to bring millions of tax dollars back to your community and suburban Hennepin County. The Urban County CDBG Program has helped thousands of seniors and lower-income families with emergency assistance, services that maintain/foster independence, housing rehabilitation, public facilities, neighborhood improvements, youth programs, and affordable housing.

Your partnership is very important to the County. If you are considering opting out, the County would appreciate the opportunity to meet before an opt-out letter is sent.

Please contact me at (612) 543-1965 if you have any questions about the Agreement or auto-renewal process. I look forward to continuing our cooperative efforts in addressing suburban Hennepin County housing and community development needs.

Sincerely,



Margo Geffen
Manager, Housing Development and Finance

Please direct election letter for the County to:
Margo Geffen
Manager, Housing Development and Finance
Hennepin County Housing, Community Works and Transit
701 Fourth Avenue South, Suite 400
Minneapolis, MN 55415

Please direct election letter for HUD to:
Ben Osborn
CPD Representative
Minneapolis Field Office
920 Second Avenue South, Suite 1300
Minneapolis, MN 55402

cc: 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.

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