



CITY of NOVI CITY COUNCIL

Agenda Item G
June 2, 2014

SUBJECT: Approval to Participate in Oakland County's Urban County Community Development Block Grant Program for the years 2015, 2016 and 2017.

SUBMITTING DEPARTMENT: Finance

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION: The U. S. Department of Housing and Urban Development (HUD) requires Oakland County to renew their Cooperation Agreements with participating communities every three years. Due to federal requirements, a resolution must be submitted to Oakland County and to HUD no later than Friday, June 20, 2014 stating our intent to continue our participation in the Oakland County Urban program.

Since 2001, the City has received over **\$1,450,000 in Community Development Block Grant (CDBG) funds** to provide needed programs such as minor home repair, youth and senior services, assistance to battered and abused spouses and other such public services to address the needs of disabled and low- to moderate-income residents. The CDBG program continues to provide needed assistance to our residents through these programs. Our partnership with the County has been very successful and we are recommending our continued participation in the Oakland County Urban County Community Development Block Grant (CDBG) program for program years 2015-2017. The only requirement to continue participating is to forward a certified resolution to both the County and HUD by June 20, 2014. A copy of the required resolution language is attached.

RECOMMENDED ACTION: Approval to Participate in Oakland County's Urban County Community Development Block Grant Program for the years 2015, 2016 and 2017.

| | 1 | 2 | Y | N |
|-------------------------------|---|---|---|---|
| Mayor Gatt | | | | |
| Mayor Pro Tem Staudt | | | | |
| Council Member Casey | | | | |
| Council Member Fischer | | | | |

| | 1 | 2 | Y | N |
|-------------------------------|---|---|---|---|
| Council Member Markham | | | | |
| Council Member Mutch | | | | |
| Council Member Wrobel | | | | |

RESOLUTION

Approving Participation in Oakland County's Urban County Community Development Block Grant (CDBG) Programs for 2015, 2016 and 2017

WHEREAS, the City of Novi resolves to participate in Oakland County's Urban County Community Development Block Grant (CDBG) programs for the years 2015, 2016 and 2017.

FURTHERFORE, we resolve to remain in Oakland County's Urban County Community Development programs, which shall be automatically renewed in successive three-year qualification periods of time, or until such time that it is in the best interest of the local Community to terminate the Cooperative Agreement.

NOW THEREFORE BE IT RESOLVED, that the City of Novi hereby resolves to remain in Oakland County's Urban County Community Development programs for 2015, 2016 and 2017, participation shall be automatically renewed in successive three-year qualification periods of time, or until such time that it is in the best interest of the local Community to terminate the Cooperative Agreement.

CERTIFICATION

I, Maryanne Cornelius, the duly appointed Clerk of the City of Novi, Oakland County, Michigan, hereby certify that the above is a true and complete copy of a resolution adopted by the City Council of the City of Novi at a regular meeting held on June 2, 2014 at which time a quorum was present.

Maryanne Cornelius
City Clerk



COMMUNITY &
HOME IMPROVEMENT

Karry Rieth, Manager
(248) 858-0493

May 20, 2014

The Honorable Bob Gatt, Mayor
City of Novi
45175 W 10 Mile Rd
Novi MI 48375-3024

RE: 2015-2017 Cooperation Agreements

Dear Mayor Gatt:

We invite the City of Novi to continue participating in the Oakland County Urban County Community Development Block Grant (CDBG) program for program years 2015-2017. The City has participated during the past three years. During this period, approximately \$274,515 has funded programs to address the needs of low income residents.

The U. S. Department of Housing and Urban Development (HUD) requires the County to renew its Cooperation Agreement with participating communities every three years. Your participation is essential to the County and the other cities, townships, and villages that combine demographics each year to achieve the highest level of federal funding for local projects. Participation in the urban county requires a three year commitment and your community must remain in the program for the three year duration. If your community chooses to remain with the urban county, it is ineligible to apply for grants under the State CDBG program while a part of the urban county.

Besides the annual CDBG allocation, participating communities also benefit from the County's federally funded HOME Investment Partnerships and Emergency Solutions Grant (ESG) programs. HOME funds are combined with CDBG funds each year to improve local housing stock through our Home Improvement Program. ESG funds are used to meet the needs of the homeless through emergency shelters, rapid re-housing, and homeless prevention assistance.

As a current participant, there is a Cooperation Agreement between the City of Novi and Oakland County on file. This three year Cooperation Agreement is automatically renewed for each three year cycle unless an amendment is required by HUD. Recent revised requirements have led HUD to request that all Cooperation Agreements be amended to more clearly delineate fair housing and civil rights obligations as well as the use of CDBG funds,

The revised Cooperation Agreement (see attached) contains an explicit provision obligating the county and the cooperating units of general local government to take all actions necessary to assure compliance with the urban county's certification under 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, and affirmatively furthering fair housing. The provision also includes the obligation to comply 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 an obligation to comply with other applicable laws.

The agreement also contains a provision prohibiting urban county funding 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 the county's fair housing certification. This provision is required because noncompliance by a unit of general local government included in an urban county may constitute noncompliance by the grantee (i.e., the county) that can, in turn, provide cause for funding sanctions or other remedial actions by HUD.

A new requirement regarding the use of CDBG funds was placed in the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2014, Pub. L. 113- 76. A unit of general local government may not sell, trade, or otherwise transfer all or any portion of such funds to a 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 Housing and Community Development Act of 1974, as amended. This requirement arose as a result of discovering that units of general local government located within an urban county were trading CDBG funds for unrestricted local funds.

In order to continue to participate in the Oakland County urban county program the City must submit the following documents by Friday June, 2014:

- 1) **A resolution (see attached) specifically designed to meet HUD requirements. Please ensure that the original resolution is signed, dated and certified by the Clerk. Alternatively, the original resolution can be signed and dated by the Clerk and embossed with a seal. Please send us the original resolution and keep a copy for your records.**
- 2) **A revised Cooperation Agreement (see attached) specifically designed to meet HUD requirements. Please ensure that the Cooperation Agreement is signed, dated and witnessed. Please send us the original Cooperation Agreement and keep a copy for your records.**

If you decide to opt out of the urban county program, a letter signed by the chief executive officer is required. This letter should state that the community intends to opt out of the Oakland County urban county program. Due to federal requirements, you must submit this letter to the County **and** to HUD. Please mail HUD's copy of the letter to: U.S. Department of Housing and Urban Development, Keith E. Hernandez, AICP, Director, Community Planning and Development, Patrick V. McNamara Building, 477 Michigan Ave., Suite 1710, Detroit MI, 48226-2592 by **Friday, June 20, 2014**. The County's copy of the letter should be mailed to: Carla Spradlin, Grant Compliance & Program Coordinator, by **Friday, June 20, 2014**. If you have questions, please contact Carla at (248) 858-5312. We look forward to three more years of productive partnership.

Sincerely,



Karry L. Rieth, Manager

cc: Sabrina Lilla, Senior Financial Analyst

COOPERATIVE AGREEMENT
Oakland County "Urban County"
Community Development Block Grant Program

THIS AGREEMENT made and entered into this 1st day of July, 2014 by and between the (City of Novi), Michigan hereinafter referred to as the "Community", and the County of (Oakland), a Michigan Constitutional Corporation, State of Michigan, hereinafter referred to as the "County":

WHEREAS, the Housing and Community Development Act of 1974 as amended provides an entitlement of funds for Community Development purposes for urban counties; and

WHEREAS, Oakland County has been designated as an Urban County provided that it secures Cooperation Agreements with various communities in Oakland County; and

WHEREAS, this agreement covers both the Community Development Block Grant Entitlement Program and, where applicable, the HOME Investment Partnership program; and

NOW THEREFORE, the Community and County do hereby promise and agree:

THAT the Community may not apply for grants from appropriations under Small Cities or State CDBG programs for fiscal years during the period in which it is participating in the urban county's CDBG program; and

THAT the Community may not participate in a HOME consortium except through the urban county, regardless of whether the urban county receives a HOME formula allocation; and

THAT the County shall have final responsibility for selecting Community Development Block Grant (and HOME, where applicable) activities and annually filing a Consolidated Plan with HUD; and

THAT the County will, on behalf of the Community, execute essential Community Development and Housing Assistance applications, plans, programs and projects eligible under the Housing and Development Act of 1974 as amended; and

THAT the Community and the County will cooperate to undertake, or assist in undertaking, community renewal and lower income housing assistance activities, specifically urban renewal and publicly assisted housing; and

THAT the Community and the County will take all actions necessary to assure compliance with the County's certification required by Section ~104(b) of Title I of the Housing and Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 109 of Title I of the Housing and Community Development Act of 1974, which incorporates Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975, and other applicable laws; that the County is prohibited from funding 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 the county's fair housing certification; and that funding by the County is contingent upon the Community's compliance with the above; and

THAT the Community has adopted and is enforcing a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and 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 demonstration within its jurisdiction; and

THAT a unit of general local government may not sell, trade, or otherwise transfer all or any portion of such funds to a 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 Housing and Community Development Act of 1974, as amended; and

THAT the qualification period of this agreement as defined in the HUD regulations and guidelines shall be Federal Fiscal Years 2015/2016/2017, and such additional period of time for the purpose of carrying out activities funded by Community Development Block Grants from Federal Fiscals years 2015/2016/2017, appropriations and from any program income generated from the expenditure of such funds; further that the period of time of this Agreement shall be automatically renewed in successive three-year qualification periods, unless the County or the Community provides written notice it elects not to participate in a new qualification period. A copy of this notice must be sent to the HUD State Office by the date specified in HUD's urban county qualification notice for the next qualification period; further the County will notify the Community in writing of its right to make such election by the date specified in HUD's urban county qualification notice; and

THAT the Community resolves to remain in Oakland County's Urban County programs for an indefinite period of time or until such time it is in the best interest of this Community to terminate the Cooperation Agreement and such additional period of time for the purpose of carrying out activities funded by Community Development Block Grants and from any program income generated from the expenditure of such funds. Furthermore, that the period of time of this Agreement shall be automatically renewed in successive three-year qualification periods, unless the County or the Community provides written notice it elects not to participate in a new qualification period. A copy of this notice must be sent to the HUD State Office by the date specified in HUD's Urban County Qualification Notice for the next qualification period; further the County will notify the Community in writing of its right to make such election by the date specified in HUD's Urban County Qualification Notice; and

THAT failure by either party to adopt an amendment to this Agreement incorporating all changes necessary to meet the requirements for cooperation agreements set forth in the Urban County Qualification Notice applicable for a subsequent three year urban county qualification period, and to submit the amendment to HUD as provided in the Urban County Qualification Notice applicable for a subsequent three-year urban county qualification period, and to submit the amendment to HUD as provided in the Urban County Qualification Notice, will void the automatic renewal of such qualification period; and

THAT this Agreement remains in effect until the CDBG (and HOME where applicable) funds and income received with respect to activities carried out during the three year qualification period (and any successive qualification periods under this automatic renewal provision) are expended and the funded activities completed, and that the County and Community may not terminate or withdraw from this agreement while this agreement remains in effect; and

THAT the Community shall inform the County of any income generated by the expenditure of CDBG funds received by the Community; and

THAT any such program income generated by the Community must be paid to the County, unless at the County's discretion, the Community may retain the program income as set forth in 24 CPR 570.503; and

THAT any program income the Community is authorized by the County to retain may only be used for eligible activities approved by the County in accordance with all CDBG requirements as may then apply; and

THAT the County has the responsibility for monitoring and reporting to HUD on the use of any such program income, thereby requiring appropriate record keeping and reporting by the Community as may be needed for this purpose; and

THAT in the event of close-out or change in status of the Community, any program income that is on hand or received subsequent to the close-out or change in status shall be paid to the County; and

THAT the Community shall provide timely notification to the County of any modification or change in the use of the real property from that planned at the time of acquisition or improvement including disposition; and

THAT the Community shall reimburse the County in the amount equal to the current fair market value (less any portion of the value attributable to expenditures of non-CDBG funds) of real property acquired or improved with Community Development Block Grant funds that is sold or transferred for the use which does not qualify under the CDBG regulations; and

THAT the Community shall return to the County program income generated from the disposition or transfer of real property prior to or subsequent to the close-out, change of status or termination of the cooperation agreement between the County and the Community; and

THAT the terms and provisions of this Agreement are fully authorized under State and local law, and that the Agreement provides full legal authority for the County to undertake or assist in undertaking essential community development and housing assistance activities, specifically urban renewal and publicly assisted housing; and

THAT pursuant to 24 CFR ~570.501(b), the Community is subject to the same requirements applicable to subrecipients, including the requirement for a written agreement set forth in 24 CFR 570.503.

IN WITNESS WHEREOF, the Community and the County have by resolutions authorized this agreement to be executed by their respective officer's thereunto as of the day and year first above written.

COUNTY OF OAKLAND

Name: _____
Title: COUNTY EXECUTIVE
Signature & date: _____

Name: _____
Title: CHAIR, OAKLAND COUNTY BOARD OF COMMISSIONERS
Signature & date: _____

Name: _____
Title: COUNTY CLERK/REGISTER OF DEEDS
Signature & date: _____

Name: _____
Title: HIGHEST ELECTED OFFICIAL
Signature & date: _____

CERTIFICATION BY COUNTY CORPORATION COUNSEL

The undersigned, Corporation Counsel for the County of Oakland, certifies that the terms and provisions of the foregoing agreement are fully authorized under existing State and local law and that the agreement provides full legal authority for the County to undertake or assist in undertaking essential community development and housing assistance activities, specifically urban renewal and public assisted housing in cooperation with local units of government.

Name: _____
Title: CORPORATION COUNSEL

Signature & date: _____