

STATE OF TEXAS           §  
                                     §  
COUNTY OF HIDALGO   §

HIDALGO URBAN COUNTY  
JUN 18 2026 PM 3:56  
#6

**COOPERATION AGREEMENT**

**THIS AGREEMENT**, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as "County" and the **City of Mercedes**, a municipal corporation under the laws of the State of Texas, hereafter sometimes referred to as the "City".

**WITNESSETH**

**WHEREAS**, The City has elected to continue participating with the Urban County as a Unit of General Local Government (UGLG), and have its population included as a portion of that population of the County in the County's "Urban County" application to the U.S. Department of Housing and Urban Development for the thirty-seven, thirty-eight, and thirty-nine year's funding for the Community Development Block Grant Program, said application being hereinafter sometimes referred to as the "Grant Application"; and

**WHEREAS**, the County is willing to include all of the City's population in the Grant Application; and

**WHEREAS**, the 93rd Session of the Congress passed and the President of the United States signed into law, the Housing and Community Development Act of 1974 for the specific purpose of developing viable communities; and

**WHEREAS**, Hidalgo County desires to continue the designation as an "Urban County" by the Department of Housing and Urban Development in order to receive a formula share of program funds provided said County has an appropriate population under the enabling legislation in its unincorporated areas and its included UGLG(s) with which it has entered cooperation agreements; and

**WHEREAS**, the Hidalgo County Judge is authorized to execute this Agreement on the County's behalf; and

**WHEREAS**, the Mayor of the City is authorized to execute this Agreement on behalf of the City; and

**WHEREAS**, Article III, Section 64 of the Texas Constitution authorizes Texas counties to enter into cooperation agreements with local governments for essential Community Development and Housing Assistance activities.

**NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:** That the County and the City do mutually agree as follows:

### **SECTION I**

The City agrees to allow the County to include the City's population for a formula share of entitlement program funds through the Department of Housing and Urban Development's Community Development Block Grant Program, the HOME Investment Partnership Program and Emergency Solutions Grants (ESG) Programs and other funding as may be authorized by HUD and included in the County's Consolidated Plan Strategy. The City and County agree to include the same in the Grant Application.

By executing this agreement, the City understands that it may not apply for grants under the Small Cities or State CDBG Programs from appropriations for the same fiscal years during the period in which it is participating in the County's CDBG Program; and it may not participate in a HOME consortium except through the County, regardless of whether the County receives a HOME formula allocation. The County or the City may apply for HOME and ESG funds from the State, as permissible.

### **SECTION II**

The County and the City agree to cooperate and undertake, or assist in the undertaking of essential community development and housing assistance activities, community renewal and lower income housing assistance activities, specifically urban renewal and public housing activities pursuant to this Agreement, including the Consolidation Plan. Such activities include but are not limited to those activities included in the Annual One Year Action Plan contained in the Consolidated Plan Strategy as required under 24 CFR Part 570 and approved by the Department of Housing and Urban Development which is on file at the Urban County Program office and which may be amended in the future.

### **SECTION III**

The City and County agree to take all actions deemed necessary by the county, in its sole discretion, to assure compliance with the Hidalgo County's certification as an urban county required by Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, that the grant will be conducted and administered in conformity with; Title VI of the Civil Rights Act of 1964, and the implementing regulations at 24 CFR part 1; the Fair Housing Act and the implementing regulations at 24 CFR part 100 and will comply with the obligation to affirmatively further fair housing; 24 CFR § 91.225(a) and Affirmatively Furthering Fair Housing Definitions and Certifications (86 FR 30779, June 10, 2021, to be codified at 24 CFR 5.152, available at [www.federalregister.gov/documents/2021/06/10/2021-12114/restoring-affirmatively-furthering-fair-housing-definitions-and-certification](https://www.federalregister.gov/documents/2021/06/10/2021-12114/restoring-affirmatively-furthering-fair-housing-definitions-and-certification); and comply with section 109 of Title I of the Housing Community Development Act of 1974 and implementing regulations at 24 CFR part

6 which incorporates Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8, Title II of the Americans with Disabilities Act, and the implementing regulations at 28 CFR part 35 and the Age Discrimination Act of 1975 and implementing regulations at 24 CFR part 146 and Section 3 of the Housing and Urban Development Act of 1968 and/or meet any and all other requirements of the CDBG, HOME, ESG Programs and other applicable laws (e.g. National Environmental Policy Act, Uniform Relocation and Real Property Policies Act of 1970 and implementing regulations at 49 CFR Part 24; Section 104(d) of the Housing and Community Development Act of 1974 and implementing regulations at 24 CFR Part 42).

Furthermore, the City and County agree that Urban County funding in no event will be used for activities in, or in support of, any cooperating UGLG that impedes the County's actions to comply with the County's action to comply with its fair housing certification, civil rights obligations, and duty to affirmatively further fair housing.

It is further understood by both parties that noncompliance by the City may constitute noncompliance by the grantee (i.e., the entire urban county) which may provide cause for funding sanctions or other remedial actions by the Department of Housing and Urban Development.

#### **SECTION IV**

The City agrees to give the County authority to carry out activities which will be funded from the Annual Action Plan and the Consolidated Plan Strategy funding which includes Community Development Block Grant, HOME, and ESG Program funds from Federal **Fiscal Years 2027, 2028 , and 2029** appropriations and from any program income generated from the expenditure of such funds, including such additional time as may be required for the expenditure of any such funds granted to the participating unit of local government. The City agrees to inform the County of any income generated by the expenditure of Consolidated Plan Strategy Program funds received by the City.

It is expressly understood by City that such program income must be paid to the County unless the City has been authorized by prior written agreement with County to retain such program income and that the City must use such funds only for eligible activities in accordance with all applicable Program guidelines and requirements. It is further understood by City that the County has full responsibility for monitoring and reporting to the Department of Housing and Urban Development on the use of any such program income and that in the event of close-out, City's change of status or the discontinued use of Program funds for approved activities, any program income that is on hand or received subsequent to the close-out or change of status shall be paid to County.

#### **SECTION V**

The County and City have adopted and are enforcing a policy which prohibits the use of excessive force by law enforcement agencies within its jurisdiction against 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 non-violent

civil rights demonstrations within its jurisdiction.

## **SECTION VI**

The City agrees to notify the County on a timely basis of any modification or change in the use of any real property acquired with any federal funds from the Urban County Program from any fiscal year from that planned at the time of acquisition or improvement including disposition. The City agrees to reimburse the County in an amount equal to the current fair market value (less any portion thereof attributable to expenditures of non-federal funds) of property acquired or improved with federal funds from the Urban County Program that is sold or transferred for a use which does not qualify under the Program regulations of any program included in the Consolidated Plan Strategy. Provisions will be established by the County for treatment of this cooperation and/or subrecipient agreement between the County and City.

## **SECTION VII**

All activities to be carried out with annual CDBG, HOME, and ESG funds and other Consolidated Plan Strategy Programs funds, should the Grant Application be approved, will be authorized and shall remain in effect for a three (3) year program period of **Federal Fiscal Years 2027 , 2028, and 2029** , and until funds granted and program income received during the three-year period are expended and the funded activities completed. Neither the County nor the City may terminate, withdraw or be removed from the program during the three-year program period.

This Agreement will renew automatically for participation for on successive three-year Urban County qualification period (Federal Fiscal years 2030, 2031, 2032), unless the City or the County provide written notice to the other party that it elects not to participate in the new qualification period. The terminating party shall send a copy to the HUD field office by the date specified on the HUD Exchange Urban Counties website. The County will notify the City in writing of the City's right to make this election. A copy of the County's notification must be sent to the HUD field office by the date specified on the HUD Exchange Urban Counties website.

## **SECTION VIII**

The County has final responsibility for selecting CDBG, HOME and ESG activities and submitting the Consolidated Plan to HUD. In addition, nothing contained in this Agreement shall deprive any municipality or other unit of government of any powers of zoning, development control, or other lawful authority, which it presently possesses.

## **SECTION IX**

County or City 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 insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits or non-Federal considerations, but must use the funds for activities eligible under Title I of the Housing and

Community Development Act of 1974, as amended.

## **SECTION X**

This agreement shall remain in full force and effect until all CDBG Program funds including the CDBG, HOME Investment Partnership Act, ESG and program income are expended and the funded activities completed and closed out by HUD. This applies to the three-year qualification period and the second three-year qualification period for an auto-renewal of the Agreement. The County and City may not terminate or withdraw from this agreement while the agreement remains in effect.

## **SECTION XI**

Further, the City and County agree to enter into a legally binding subrecipient agreement for each fiscal year hereafter as long as they are participating in the Urban County Program. Pursuant to 24 CFR 570.501(b), the City is subject to the same requirements applicable to subrecipients, including the requirements of a written agreement as described in 24 CFR 570.503.

## **SECTION XII**

Should the U.S. Department of Housing and Urban Development reject or refuse to accept this Agreement for any reason, the County may terminate this Agreement by giving written notice of same to the City. The County shall not be liable for any cause, action or damage arising from HUD's rejection of the application. Should the U.S. Department of Housing and Urban Development, for any reason terminate funding to the County during any time of the three-year period of qualification, the County shall not be held liable for any obligations or expenses incurred by the City.

## **SECTION XIII**

This agreement contains the entire agreement among the parties hereto, and each party acknowledges that no other party has made (either directly or through any agent or representative) any representations or agreements in connection with this agreement not specifically set forth herein. This agreement may be modified or amended only by an agreement in writing executed by County and City.

The County and the City agree to adopt amendments(s) to this Agreement as may be required by HUD to meet any new Urban County Qualification requirement(s), when applicable. Failure by either the County or the City to adopt any such amendment, and to submit such amendment to HUD, will void the Agreement for such qualification period.

## **SECTION XIV**

It is expressly understood and agreed that, in the execution of this agreement, neither the City nor County waive, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercising of governmental powers and functions.

#### **SECTION XV**

The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

#### **SECTION XVI**

Each party hereto is entering into this Agreement for the purpose of providing for governmental services or functions and will pay for such services out of current revenues available to the paying party as herein provided.

#### **SECTION XVII**

The execution and performance of this Agreement by COUNTY and the CITY have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of the COUNTY and the CITY in accordance with its terms.

**IN WITNESS WHEREOF**, this agreement has been executed in triplicate originals, each to have the force and effect of an original on the dates set forth herein below.

**COUNTY OF HIDALGO**

ATTESTED BY:

\_\_\_\_\_  
Arturo Guajardo, Jr., County Clerk

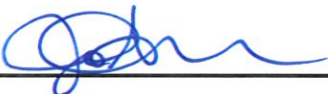
\_\_\_\_\_  
Date

\_\_\_\_\_  
Richard F. Cortez, County Judge

\_\_\_\_\_  
Date

**CITY OF MERCEDES**

ATTESTED BY:

  
\_\_\_\_\_  
City Secretary

6/16/26  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Mayor

6/16/26  
\_\_\_\_\_  
Date

## CERTIFICATE OF COUNTY LEGAL COUNSEL

I have examined the foregoing Agreement, and as legal counsel to the County named therein, I certify that State and local laws authorize the terms and provisions of the Agreement with participating UGLG, and that the Agreement provides full legal authority for the County to undertake or assist in the undertaking of essential community development and housing assistance activities in incorporated areas as authorized by Texas State statutes.

APPROVED AS TO FORM:

Hidalgo County District Attorney's Office  
Toribio "Terry" Palacios

By: \_\_\_\_\_  
Victor M. Garza, Chief Administrative Attorney

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

APPROVED BY:  
COMMISSIONERS' COURT  
ON: \_\_\_\_\_