

STATE OF TEXAS            {  
                                      {  
COUNTY OF HIDALGO        {

**JUN 23 2014**

OR

**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 Sullivan City**, 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 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 twenty eighth, twenty ninth, and thirtieth 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 units of general local governments with which it has entered cooperation agreements; 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 1**

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.

## **SECTION II**

The County and the City agree to cooperate and undertake, or assist in the undertaking of community renewal and lower income housing assistance activities, specifically urban renewal and public housing activities pursuant to this Agreement. 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, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act and affirmatively furthering fair housing and comply with section 109 of Title I of the Housing Community Development Act of 1974, which incorporates Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination act of 1975 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 Act of 1969). Furthermore, the City and County agree to prohibit urban county funding for activities in the City or support any City that does not affirmatively further fair housing within the City's jurisdiction or which actions impedes the County's action to comply with its fair housing certification and civil rights obligations. 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 Consolidated Plan Strategy funding which includes Community Development Block Grant, HOME, and ESG Program funds from Federal Fiscal Years 2015, 2016, and 2017 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 out during Federal Fiscal Years 2015, 2016, and 2017.

## **SECTION VIII**

Neither party to this Agreement may veto or in any way obstruct the implementation of the approved Consolidated Plan Strategy (CPS) or such other Community Development program activities eligible for assistance during the three years for which the County is seeking to qualify as an "Urban County" or for such additional time as may be required for the expenditure of funds granted to the County for such period. 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 Indian tribe, or insular area that directly or indirectly receives CDBG 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 CPS Program funds including the CDBG, HOME Investment Partnership Act, ESG and program income with respect to the three year qualification period are expended and the funded activities completed and close-out by HUD, and 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 that will subject the City to the same requirements applicable to subrecipients pursuant to 24 CFR 570.501(b) and 24 CFR 570.503. The subrecipient agreement shall remain in full force and effect until the C.D.B.G. , HOME Investment Partnership Act and E.S.G. funds and program income with respect to that program year are expended, funded activities completed, and the program year is "close-out" by the U.S. Department of Housing and Urban Development.

## **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 and not otherwise.

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. 7/15/14 Ramon Garcia  
Arturo Guajardo, Jr., County Clerk Date Ramon Garcia, County Judge Date

Approved by Commissioners' Court  
7-8-14 RO

CITY OF SULLIVAN CITY

ATTESTED BY:

Armanda Mercado 6/19/14 Rosendo Benavides  
City Secretary Date Mayor Rosendo Benavides Date

**CERTIFICATE OF COUNTY LEGAL COUNSEL**

I have examined the foregoing Agreement, and as legal counsel to the County named therein, I certify that the terms and provisions of the Agreement are fully authorized under the State and local laws 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 as authorized by Texas State statutes.

APPROVED AS TO FORM:  
Atlas & Hall, L.L.P.

\_\_\_\_\_  
Date

BY: \_\_\_\_\_  
Stephen L. Crain  
Legal Counsel County of Hidalgo  
Commissioners' Court

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