



COMMUNITY &  
HOME IMPROVEMENT

Karry Rieth, Manager  
(248) 858-0493

May 20, 2014

The Honorable Bryan K Barnett, Mayor  
City of Rochester Hills  
1000 Rochester Hills Drive  
Rochester Hills MI 48309-3033

**RE: 2015 - 2017 Cooperation Agreements**

Dear Mayor Barnett:

We invite the City of Rochester Hills 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 \$413,577 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.

Although Rochester Hills has a population of more than 50,000 and is eligible to apply directly for HUD funding, we would like to point out several reasons for the City to consider remaining in the County program. The City receives approximately \$137,859 in CDBG funds through the urban county program each year. Besides the annual CDBG allocation, Rochester Hills also benefit from the County's HOME Investment Partnerships and Emergency Solutions Grant (ESG) programs. As a participating community, the City will automatically be included in the County HOME and ESG programs. The HOME program provides low income residents with access to our award winning Home Improvement Program. ESG funds are used to meet the needs of the homeless through emergency shelters, rapid re-housing, and homeless prevention assistance. Another benefit is that Oakland County takes care of a majority of the federal paperwork involved in the CDBG, HOME, and ESG programs. The reduction in administrative burden maximizes the benefit of each dollar at the local level.

As a current participant, there is a Cooperation Agreement between the City of Rochester Hills 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 20, 2014**:

- 1) **A resolution (see attached sample) 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 (**see attached sample**). 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 HUD, 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: Debby Hoyle, Financial Analyst